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State of Maryland

Comprehensive Annual Financial Report for the Year Ended June 30, 1990

Louis L. Goldstein
State Comptroller
Annapolis, Maryland

STATE OF MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT
for the year ended June 30, 1990
PREPARED
by the State Comptroller's Office
Louis L. Goldstein
Comptroller of the Treasury of Maryland

During his eight terms in office, Comptroller Goldstein has taken Maryland fiscal management into the high-tech age by computerizing the state's payroll, accounting and revenue collection systems and expanding his two computer facilities in Baltimore and Annapolis to meet the growing data processing needs of many state agencies and the citizens who depend on them.

Part of that expansion reached new heights on April 10, 1990 when Governor William Donald Schaefer and other elected officials joined Comptroller Goldstein and his co-workers in dedicating the new Annapolis Data Center in Maryland's historic capital.

The $8.3 million facility houses 210 employees of the Data Processing Division and the Central Payroll Bureau of the Comptroller's office, in an open space office environment and promises state-of-the-art capability to provide innovative data processing services through the 21st century for one of the best financially managed state governments in the nation.

Photographs by Michael Walsh, State Comptroller's Office.

STATE OF MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

At the main console in the Annapolis Data Center, Maggie McKendrick (left) and Sharon Upton help direct the job traffic necessary to process tax returns, issue checks, track boat registrations, maintain voter files and a host of many other vital services for citizens and state agencies.

Rosemarie Sansbury shows Comptroller Goldstein the new tape cartridge technology used at the new facility, capable of storing three times as much data as its predecessor.

STATE OF MARYLAND
SELECTED STATE OFFICIALS

EXECUTIVE

William Donald Schaefer
Governor

Melvin A. Steinberg
Lieutenant Governor

Louis L. Goldstein
Comptroller

J. Joseph Curran, Jr.
Attorney General

Lucille Maurer
Treasurer

JUDICIAL

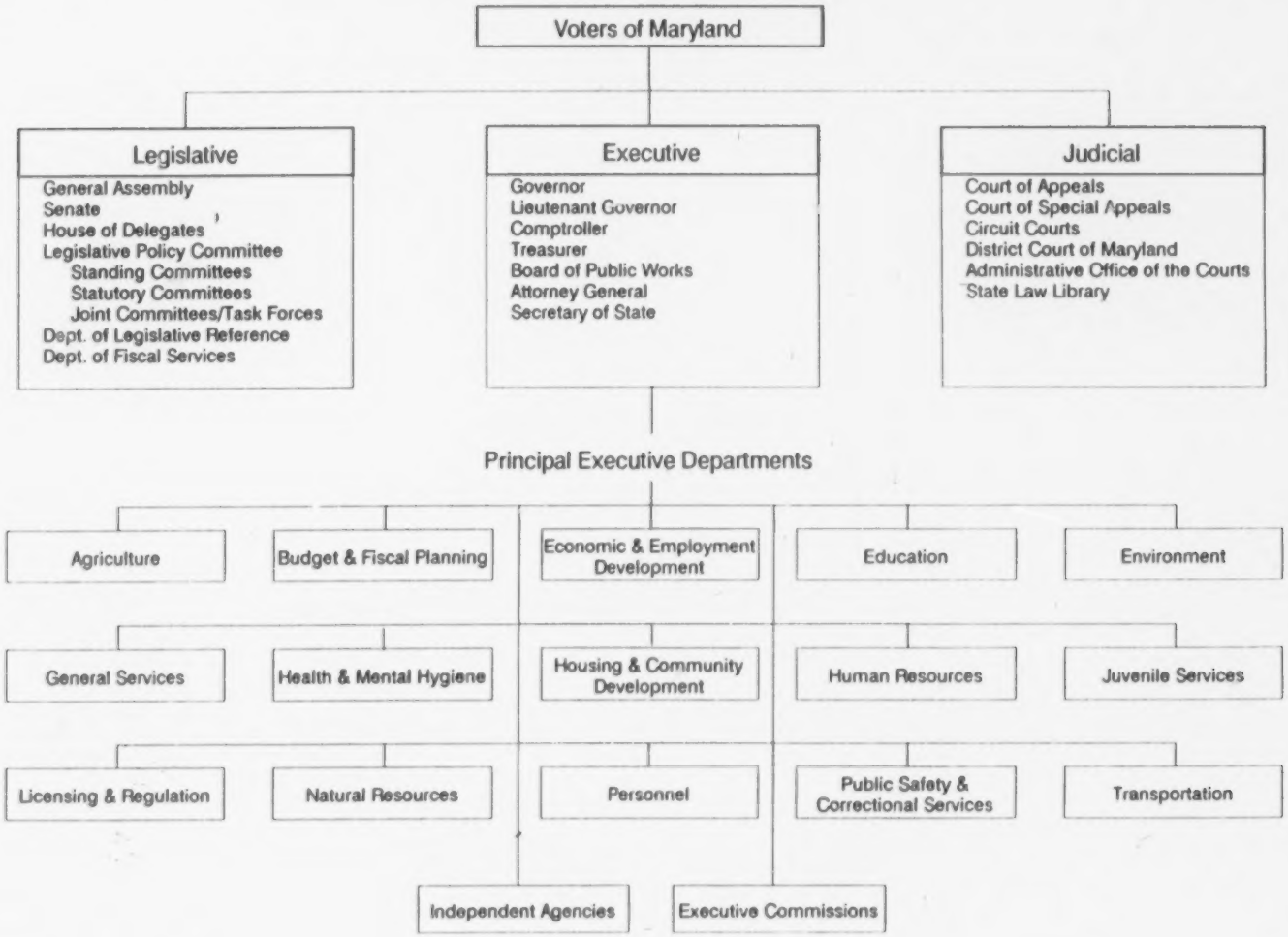
Robert C. Murphy
Chief Judge
Court of Appeals of Maryland

LEGISLATIVE

Thomas V. M. Miller, Jr.
President of the Senate
(47 Senators)

R. Clayton Mitchell, Jr.
Speaker of the House of Delegates
(141 Delegates)

MARYLAND STATE GOVERNMENT



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1989

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards in government accounting and financial reporting.

Gary R. Northern
President

Jeffrey L. Esser
Executive Director

Louis L. Goldstein
Maryland State Comptroller

LOUIS L. GOLDSTEIN
COMPTROLLER OF THE TREASURY
LOUIS L. GOLDSTEIN TREASURY BUILDING
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ANNAPOLIS, MARYLAND 21404-0466
301-974-3801

November 20, 1990

Honorable Members of the General
Assembly and the Governor
State of Maryland

INTRODUCTION

The Comprehensive Annual Financial Report of the State of Maryland, for the fiscal year ended June 30, 1990, submitted herewith, includes financial statements of the State of Maryland as well as information required by Title 2, Section 102 of the State Finance and Procurement Article of the Annotated Code of Maryland. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Office of the Comptroller. I believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the State as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the State's financial affairs have been included.

This report is presented in three sections; introductory, financial, and statistical. The introductory section includes this transmittal letter, the State's organizational chart, and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The financial statements include the various departments, agencies and other organizational units governed by the General Assembly and/or constitutional officers of the State of Maryland. The following criteria was utilized to determine the entity for the State of Maryland: selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations and accountability for fiscal operations, and scope of public service.

In addition to general government activities, the State exercises, or has the ability to exercise, oversight of the following organizations which are included in the State's financial statements:

Maryland Industrial Development Financing Authority
Maryland Housing Fund
Community Development Administration
Maryland Small Business Development Financing Authority
Maryland Water Quality Financing Administration
Maryland Food Center Authority
Maryland Transportation Authority
Maryland State Lottery Agency
Maryland Environmental Service
State Use Industries

Maryland Higher Education Loan Corporation
Maryland Deposit Insurance Fund Corporation
Maryland Stadium Authority
Unemployment Insurance Program
Maryland State Retirement and Pension Systems
University of Maryland System
St. Mary's College of Maryland
Morgan State University

The Maryland School for the Blind, Blind Industries and Services of Maryland, Maryland Economic Development Corporation, Maryland Health and Higher Education Facilities Authority, Maryland Automobile Insurance Fund, Maryland State Accident Fund, Maryland National Capital Park and Planning Commission, State Employees Credit Union, and the Maryland Credit Union Insurance Corporation have not met the criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

Economic growth is slowing, thus indicating a less favorable economic condition for the 1991 fiscal year. However, the unemployment rate for fiscal year 1990 declined when compared to fiscal year 1989 and remains below the national average. Due to the large diversity of manufacturing and retail businesses located in Maryland, the State's economy remains relatively stable. Because of the diversity, a downturn in any particular segment of the industries in the State should not cause a severe impact on the State's economy.

To assist economic development and growth for the future, the State initiated an Economic Development Opportunities Fund in 1989 and provided additional contributions in 1990 and 1991 to help assure commercial and industrial expansion.

MAJOR INITIATIVES

During the year, the State was able to finance many needed services and initiatives as a result of a substantial budgetary fund balance at the end of fiscal year 1989.

The State continued its commitment to the Action Plan for Educational Excellence which provides for the State to increase its participation in elementary and secondary education. Transportation related capital projects continued at an expanded level. The State is continuing its long term initiative for new prison construction and has begun construction of a new baseball stadium to house Baltimore Orioles baseball.

The State continued with the modernization of the State's MED-EVAC helicopter fleet, a new governance structure for higher education, a light rail express system, funds to provide help to victims of AIDS and the clean-up of the Chesapeake Bay.

The State provided additional funds to the State Reserve Fund for the purposes of retaining revenues for future needs and supplementing existing programs for extraordinary economic development opportunities that may arise. The State also repaid depositors who had insured accounts in failed savings and loan institutions from the State Reserve Fund.

For 1991, the 1990 initiatives will be continued, many at an expanded level. Major financial commitments have been made to the State's higher education system and in the fight against drug and alcohol abuse. Also, a substantial increase has been made to funds used to provide adequate public assistance for those citizens who are in need.

FINANCIAL INFORMATION

The State has issued guidelines to its agencies for establishing an effective system of internal control. Internal control is the overall plan of organization and all the coordinate methods used to safeguard assets; ensure the reliability of the accounting data; promote efficient operations and ensure compliance with established governmental policies, laws, regulations and contracts. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

As a recipient of federal assistance, the State is responsible for ensuring compliance with laws and regulations related to such assistance. This is accomplished through the internal control guidelines. Additionally, the State, excluding higher education institutions, is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-128. The State's higher education institutions single audit is performed under Circular A-110. Detailed information related to these single audits is included in separate reports.

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following year. The General Assembly cannot increase the budget except in certain organizational units. The budget currently uses a legally mandated budgetary fund structure, but migration to a fund structure based on generally accepted accounting principles has begun, starting with the higher education funds. Each state agency is provided appropriations at a program level, the level at which expenditures cannot legally exceed the appropriations. The State also utilizes an encumbrance system to serve as a tool for managing available appropriations.

Maryland maintains its accounts to conform with generally accepted accounting principles and also to comply with the legally mandated budget. Financial control is generally exercised under the budgetary system.

General Governmental Functions

Revenues of the general governmental functions (excluding capital projects) totaled $9,104,905,000 for the fiscal year ended June 30, 1990. This represents an increase of 3.2 percent over revenues for the fiscal year 1989. Income tax, the largest source of revenue, produced 34.0 percent of general governmental revenues compared to 34.5 percent last year. The revenues from various sources and the changes from last year are shown in the following tabulation (amounts expressed in thousands):

Revenue Source	Amount	Percent of Total	Increase (Decrease) Over 1989 Actual Amount	Percent
Income taxes	$3,096,423	34.0%	$ 58,523	1.9%
Sales and use taxes	1,571,867	17.3	64,814	4.3
Motor vehicle taxes and fees	955,253	10.5	(7,866)	(.8)
Other taxes	894,729	9.8	32,971	3.8
Other licenses and fees	113,189	1.2	3,666	3.3
Charges for services	331,312	3.6	(2,030)	(.6)
Interest and other investment income	125,518	1.4	(33)	.0
Other	190,861	2.1	6,547	3.6
Federal revenue	1,825,753	20.1	132,464	7.8
Total	$9,104,905	100.0%	$289,056	3.3%

Of the total income tax revenue for fiscal year 1990, $2,861,766,000 was produced by the individual income tax and $234,657,000 by the corporate income tax, representing an increase of $100,700,000 and a decline of $42,177,000, respectively, compared to the prior year. The increase in individual income tax revenues of 3.6 percent over the prior year is attributable to population growth and a higher personal income level for the State's taxpayers. The decrease in the corporate income tax revenues of 15.2 percent from the prior year is attributable to a downturn in the national economy which had an impact on corporate profits.

Changes in levels of expenditures for major functions from the previous year (excluding capital projects) are shown in the following tabulation (amounts expressed in thousands):

Function	Amount	Percent of Total	Increase (Decrease) Over 1989 Actual Amount	Percent
Current:				
General government	$ 453,164	5.0%	$ 16,075	3.7%
Education	2,052,303	22.5	149,338	7.8
Economic and employment development	147,404	1.6	28,600	24.1
Human resources	753,935	8.3	58,906	8.5
Health and mental hygiene	1,990,090	21.8	205,098	11.5
Environment	52,245	.6	7,131	15.8
Transportation	544,037	6.0	(6,008)	(1.1)
Public safety and judicial	728,105	8.0	79,905	12.3
Housing and community development	62,179	.7	6,155	11.0
Natural resources and recreation	123,297	1.4	15,847	14.7
Agriculture	43,819	.5	6,626	17.8
Intergovernmental	660,532	7.2	(1,022)	(.2)
Debt service	467,197	5.1	12,723	2.8
Capital outlays for transportation	1,033,020	11.3	181,724	21.3
Total	$9,111,327	100.0%	$761,098	9.1%

Expenditures for economic and employment development increased $28,600,000 or 24.1 percent over 1989 primarily for job training, including those citizens who are on public assistance.

Expenditures for health and mental hygiene increased $205,098,000 or 11.5 percent over 1989 primarily due to increases in Medicaid expenditures.

Expenditures related to the environment category increased $7,131,000 or 15.8 percent over 1989 primarily for the Chesapeake Bay and underground storage tanks clean-up programs.

Expenditures for public safety and judicial increased $79,905,000 or 12.3 percent over 1989 primarily for costs of constructing and equipping a Public Safety Training Center and increased costs in operating the courts and prisons.

Expenditures for housing and community development increased $6,155,000 or 11.0 percent over 1989 primarily for additional funds provided for community development purposes.

Expenditures for natural resources and recreation increased $15,847,000 or 14.7 percent over 1989 primarily for the construction of additional marinas and forest and park facilities.

Expenditures for agriculture increased $6,626,000 or 17.8 percent over 1989 primarily for additional agricultural land preservation.

Expenditures for capital outlays for transportation increased $181,724,000 or 21.3 percent over 1989 primarily for mass transit projects. Also, certain expenditures were classified as transportation in 1989 and as capital outlays in 1990, resulting in a decrease in the transportation category when comparing 1990 to 1989.

Operating transfers in from the capital projects fund and enterprise funds (State Lottery Agency and Maryland Deposit Insurance Fund Corporation) totaled $631,000 and $353,254,000 respectively. This represents an increase of $30,130,000 over the previous year. Operating transfers out to the capital projects fund, enterprise funds and higher education funds totaled $1,008,149,000, for an increase of $359,006,000 over the preceding year.

The general fund unreserved fund balance at June 30, 1990 was $317,556,000, representing a decline of $404,943,000 from the previous year's balance. This decline was the result of planned reductions in the budgetary fund balance and in the state reserve fund for the repayment to depositors who had insured accounts in failed savings and loan institutions.

Management of financial resources is exercised through the legally mandated budgetary system of the State. The budgetary system produced a positive general fund balance at June 30, 1990. For information on differences between GAAP and the budgetary system, see footnote 3 to the general purpose financial statements.

The special revenue unreserved fund balance of $141,292,000 increased $5,099,000 over the preceding year primarily because of a substantial increase in proceeds from bonds. The debt service unreserved fund balance of $109,503,000 declined $3,011,000 from the prior year. This decline was the result of a planned reduction in the budgetary fund balance.

Capital Projects Fund

Proceeds of general obligation bond issues are accounted for in the capital projects fund. Completed projects and uncompleted construction in progress at year end which are assets of the State are capitalized in the general fixed assets account group, the appropriate enterprise fund for self-supporting projects or the higher education fund. During fiscal year 1990, State projects costing $123,191,000 were completed. State grants for capital projects of local governments and other public organizations amounted to $155,206,000 in the fiscal year, an increase of $12,095,000 over 1989.

Authorized but unissued general obligation bonds at June 30, 1990 totaled $992,930,000.

General Fixed Assets

The general fixed assets of the State are those used in the performance of general governmental functions and exclude the fixed assets of the proprietary fund type and the higher education fund. As of June 30, 1990, the general fixed assets of the State amounted to $4,326,359,000. This amount represents the actual or estimated cost of the assets. Depreciation of general fixed assets is not recognized in the State's accounting system. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets.

Enterprise, Fiduciary, and Higher Education Funds

All enterprise funds with the exception of Maryland Deposit Insurance Fund Corporation reported retained earnings for the year ended June 30, 1990. The Maryland State Lottery Agency reported a decline in retained earnings during the year. Overall retained earnings for enterprise funds increased during 1990 by $257,545,000, compared to an increase of $91,345,000 in 1989.

Fiduciary fund types include the expendable trust fund, pension trust fund and agency funds. Agency funds are custodial in nature and do not report fund balances. All other fiduciary fund types reported fund balances of $10,867,884,000 at June 30, 1990, compared to $9,734,270,000 at June 30, 1989.

The Maryland State Retirement and Pension Systems (System) was established to provide pension benefits for State employees, the employees of the University of Maryland Medical System (a private, nonprofit, nonstock corporation) and employees of 102 participating municipal corporations within the State. The annual actuarial valuation continues to reflect a positive trend in the government's and employees' funding of the System.

The total fund balance for the higher education fund was $1,737,627,000 at June 30, 1990, compared to $1,550,868,000 at June 30, 1989.

Debt Administration

The ratios of net bonded debt to assessed property value, debt to present market value and bonded debt per capita are considered to be useful indicators of the State's debt position to State management, citizens and investors. Data for fiscal years 1989 and 1990 are shown as follows:

	Amount (expressed in thousands)	Ratio of Net Bonded Debt to Assessed Value (49.4% of Present Market)	Ratio of Debt to Present Market Value	Bonded Debt Per Capita
General obligation bonds:				
1989	$2,005,360	2.28%	1.14%	$437.95
1990	1,986,906	2.06	1.02	418.91

Additionally, outstanding limited obligation bonds of the Department of Transportation amounted to $707,705,000 at June 30, 1990. Debt service on these bonds is provided principally by excise taxes levied by statute. Self-supporting revenue bonds outstanding at June 30, 1990 amounted to $2,573,750,000. Long-term obligations for accrued retirement costs of $321,481,000 represent the excess of retirement costs over retirement expenditures since 1978 and are being funded on a long-term basis through annual contributions, principally from general fund revenue. Long-term obligations for accrued annual leave of $119,015,000 represent the value of accumulated earned but unused annual leave for general government employees at June 30, 1990.

Limited obligation bonds issued by the Department of Transportation and self-supporting revenue bonds issued by enterprise agencies amounted to $269,950,000 and $520,264,000, respectively, during 1990.

In 1978, the Capital Debt Affordability Committee was created to study the State's debt structure and to recommend maximum limitations on annual debt authorizations. Although the recommendations of the Committee are not binding on the State's General Assembly, the amounts of annual general obligation bond authorizations for 1990 were within the limits established by the Committee. For the fiscal year 1990, new general obligation bond authorizations amounted to $328,219,000.

The following tabulation shows the general obligation bonds issued during the past three fiscal years:

State of Maryland—General Obligation Bonds

Date of Issue	Amount	Average Life in Years	Effective Interest Rate	Interest Cost Per Borrowed Dollar
July 9, 1987	$144,860,000	9.8	6.44%	63.1¢
January 7, 1988	80,000,000	9.9	6.78	67.2
May 17, 1988	80,000,000	9.9	6.49	64.3
October 25, 1988	80,000,000	9.9	6.66	66.0
March 1, 1989	80,000,000	9.9	6.71	66.5
July 18, 1989	80,000,000	9.9	6.45	63.7
March 1, 1990	130,000,000	9.9	6.57	64.8
May 4, 1990	24,227,000	6.7	6.35	42.3

Since June 30, 1933, general obligation bonds outstanding have declined by $422,984,000.

Maryland's general obligation bonds have been rated Aaa by Moody's Investors Service and AAA by Standard and Poor's for a number of years.

Cash Management

During the year, temporary surpluses of cash in general governmental funds were invested in repurchase agreements and U.S. Treasury and agency obligations with maturities ranging from one to 181 days and in time deposits ranging from 180 to 365 days. As of June 30, 1990, the State's cash resources for general governmental funds were invested as follows: in repurchase agreements, 70.7 percent; in U.S. Treasury and agency obligations, 27.0 percent; and in certificates of deposit and other, 2.3 percent. The average yield on maturing investments during the year was 8.6 percent, as compared to 9.1 percent in the prior year, and the amount of interest received was $125,518,000, which was $33,000 less than the previous year.

Risk Management

The State is involved in legal proceedings, which normally occur in government operations. Such proceedings, in the opinion of the Attorney General, are not likely to have a material adverse impact on the financial position of the State's funds, with the possible exception of litigation pertaining to the past savings and loan crisis, the outcome of which cannot presently be determined.

Shortly after the savings and loan crisis, the State enacted legislation which created the Maryland Deposit Insurance Fund Corporation (MDIFC), an agency of the State, and required savings accounts of all associations operating in the State to be insured by either MDIFC or FSLIC. Six of the associations are currently in receivership, four of which the insured accounts have been acquired by four different banks. The State repaid insured depositors who had funds in these failed associations.

In addition, the State is very active in the management of its fleet safety program and its various inspection services pertaining to property, plant, and equipment. The State recently replaced commercial insurance with self-insurance for a number of minor coverages. Other self-insured risks include: damage to State property below the limits of the blanket catastrophic policy, fidelity bond, volunteer accident, deductibles on numerous commercial policies, and judgement and settlements arising from actions in which the violation of a constitutional right is asserted.

OTHER INFORMATION

The statutes of the State require an audit of every unit of the Executive and Judicial branches of government, including the Comptroller of the Treasury's records, by the Legislative Auditor at least every two years. The Legislative Auditor is required to be and is a certified public accountant. The Legislative Auditor makes fiscal, compliance and performance audits of the various agencies and departments of the State and issues a separate report covering each of those audits. Although certain of those reports include presentations of detailed financial data and contain expressions of opinion thereon, the audits are usually not made for that purpose. The primary purpose of the reports is to present the Legislative Auditor's findings relative to the fiscal management of those agencies and departments.

Additionally, my office requires an audit of the State's general purpose financial statements by a firm of independent certified public accountants selected by an audit selection committee composed of members from the Executive and Legislative branches of State government. This requirement has been complied with, and the opinion of Deloitte & Touche has been included in the financial section of this report. Deloitte & Touche also performs audits to meet the requirements of the federal Single Audit Act of 1984, OMB Circular A-128, and OMB Circular A-110; such information being contained in other reports.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Maryland for its comprehensive annual financial report for the fiscal year ended June 30, 1989.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

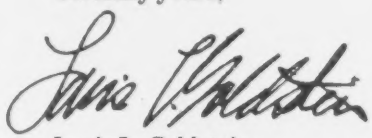
During the year, Financial World magazine named Maryland as the best financially managed state in the nation. The magazine cited top-notch management, an excellent accounting system, and the state's adherence to capital debt and spending affordability guidelines in its ranking.

The most recent Advisory Commission Intergovernmental Relations report rated Maryland as one of the four states with the fairest and most balanced tax structure.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the staff of the General Accounting Division with assistance from other personnel from the various departments and agencies of the State.

I will be pleased to furnish additional information on the State's finances upon request.

Cordially yours,



Louis L. Goldstein
Comptroller of the Treasury
of Maryland

FINANCIAL SECTION

The Data Entry Section of the Annapolis Data Center enters information from state tax forms and other documents into the main computers, helping to ensure swift processing of 4.7 million state tax returns and over $465 million in refund checks for the majority of taxpayers.

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Independent Auditors' Report

The Honorable Louis L. Goldstein
Comptroller of the Treasury of Maryland

We have audited the accompanying general purpose financial statements of the State of Maryland as of June 30, 1990, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the State of Maryland's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the loan insurance programs and four loan programs of the Maryland Departments of Housing and Community Development and Economic and Employment Development, Maryland Food Center Authority, Maryland State Lottery Agency, Maryland Stadium Authority and Maryland Higher Education Loan Corporation, which represent total assets, revenues and expenses constituting 53 percent, 83 percent and 88 percent, respectively, of the related combined totals for Enterprise Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above mentioned component units, is based solely on the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Maryland as of June 30, 1990, and the results of its operations and the cash flows of its Enterprise Funds for the year then ended in conformity with generally accepted accounting principles.

As discussed more fully in Note 15 to the financial statements, the State of Maryland Deposit Insurance Fund Corporation (MDIFC), an agency of the State, insured the insured accounts of six member savings and loan associations that are in receivership. The financial statements of MDIFC are included in the combined Proprietary Fund Type financial statements. At June 30, 1990, the balance sheet of MDIFC reflects an accrual of $350,000,000 for estimated losses on insured savings deposits. In addition, MDIFC is a party to numerous lawsuits, the outcome of which cannot presently be determined. As a result, the ultimate outcome of the savings and loan situation is uncertain at this time.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents, which are also the responsibility of the State of Maryland's management, are presented for purposes of additional analysis and to meet legal reporting requirements and are not a required part of the general purpose financial statements of the State of Maryland. Except for the Schedules of Estimated Revenues and General, Special, Federal, Current Unrestricted and Current Restricted Fund Appropriations-Budgetary Basis for the year ending June 30, 1991 (pages 75 and 76), such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

The other data included in this report have not been audited by us and, accordingly, we express no opinion on such data.

Deloitte & Touche

November 20, 1990

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GENERAL PURPOSE FINANCIAL STATEMENTS

STATE OF MARYLAND

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 1990

(Expressed in Thousands)

	Governmental Fund Types				Proprietary Fund Types	Fiduciary Fund Types	Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	Higher Education	
Assets and Other Debits:										
Assets:										
Cash and short-term investments	$ 68,567	$ 84,142	$ 17,129	$ 220,415	$ 678,334	$ 669,253			$ 52,359	$ 1,790,199
Investments	284,438	329	89,283		534,081	10,832,307			170,458	11,910,896
Amount on deposit with U.S. Treasury						575,173				575,173
Taxes receivable, net	541,544	47,546	3,098			51,957				644,145
Intergovernmental receivables	248,574	114,484			6,660				39,972	409,690
Tuition, net									17,805	17,805
Other accounts receivable	92,982	12,119	1,956	67	44,697	92,494			3,697	248,012
Due from other funds	62,681	109,752	1,403		1,645	100,717			191,442	467,640
Inventories					5,164				13,457	18,621
Loans and notes receivable, net	3,680		57,158	14,820	1,596,882				37,217	1,709,757
Loans to other funds	945		9,470							10,415
Property, plant and equipment, net					1,895,629		$4,326,359		1,716,617	7,938,605
Restricted assets					317,815					317,815
Deposits					351,581					351,581
Other assets	18,510				57,077				6,149	81,736
Other Debits:										
Amounts available in debt service fund for retirement of:										
General obligation bonds								$ 15,972		15,972
Transportation bonds								93,531		93,531
Amounts to be provided for:										
Retirement of general obligation bonds								1,970,934		1,970,934
Retirement of transportation bonds								614,174		614,174
Retirement of accrued retirement costs								321,481		321,481
Retirement of accrued workers' compensation costs								51,046		51,046
Retirement of accrued annual leave								119,015		119,015
Retirement of obligations under capital leases								42,979		42,979
Total assets and other debits	$1,321,921	$368,372	$179,497	$ 235,302	$5,489,565	$12,321,901	$4,326,359	$3,229,132	$2,249,173	$29,721,222
Liabilities, Equity and Other Credits:										
Liabilities:										
Accounts payable and accrued liabilities	$ 381,562	$167,278		$ 41,520	$ 58,173	$ 66,474			$ 96,488	$ 811,495
Due to other funds	401,797	2,987			61,608	1,248				467,640
Accounts payable to political subdivisions and local income tax refunds	42,973	56,485				513,044				612,502
Due to transportation bondholders						493,622				493,622
Lottery prizes					245,139					245,139
Accrued insurance and loan losses					366,749					366,749
Other liabilities					47,960					47,960

Deferred compensation benefits payable						379,629				379,629
Deferred revenue	16,642		$ 2,387	1,900	19,385				33,116	73,430
Loans from other funds					10,415					10,415
Notes payable					17,450					17,450
Matured bonds and interest coupons payable			4,407							4,407
Liabilities payable from restricted assets					19,307					19,307
Revenue bonds and other notes payable					2,323,599				250,151	2,573,750
General obligation bonds payable								$1,986,906		1,986,906
Transportation bonds payable								707,705		707,705
Accrued retirement costs					2,968			321,481	50,339	374,788
Accrued workers' compensation costs					667			51,046	13,248	64,961
Accrued annual leave								119,015	24,073	143,088
Obligations under capital leases								42,979	44,131	87,110
Total liabilities	842,974	226,750	6,794	43,420	3,173,420	1,454,017		3,229,132	511,546	9,488,053
Commitments and contingencies (Notes 15, 18 and 19)										
Equity and Other Credits:										
Investment in fixed assets							$4,326,359		1,611,662	5,938,021
Capital:										
Contributed capital					1,029,504					1,029,504
Capital deposits by members					144,224					144,224
Retained earnings:										
Reserved					5,749					5,749
Unreserved					1,136,668					1,136,668
Fund balances:										
Reserved for:										
Encumbrances	157,596	330		361,519						519,445
Loans and notes receivable	2,850		53,730							56,580
Loans to other funds	945		9,470							10,415
Shore erosion loan program				14,820						14,820
Pension benefits						10,251,637				10,251,637
Unemployment compensation benefits						616,247				616,247
Higher education programs									44,388	44,388
Endowment funds									49,721	49,721
Unreserved:										
Designated for:										
General obligation bond debt service			15,972							15,972
Transportation bond debt service			93,531							93,531
Agency activities	139,568	4,031								143,599
State reserve fund	124,930									124,930
Emergency medical services system		3,045								3,045
Undesignated (deficit)	53,058	134,216		(184,457)					31,856	34,673
Total equity and other credits	478,947	141,622	172,703	191,882	2,316,145	10,867,884	4,326,359		1,737,627	20,233,169
Total liabilities, equity and other credits	$1,321,921	$368,372	$179,497	$ 235,302	$5,489,565	$12,321,901	$4,326,359	$3,229,132	$2,249,173	$29,721,222

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund for the year ended June 30, 1990

(Expressed in Thousands)

	Governmental Fund Types				Fiduciary Fund Types	Total
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
Revenues:						
Income taxes	$ 3,096,423					$ 3,096,423
Sales and use taxes	1,571,867					1,571,867
Motor vehicle taxes and fees		$ 955,253				955,253
Other taxes	732,618		$ 162,111		$198,360	1,093,089
Other licenses and fees	113,189					113,189
Charges for services	156,571	174,741				331,312
Interest and other investment income	102,379	11,770	11,369	$ 137		125,655
Other	182,136	6,883	1,842	1,322		192,183
Federal revenue	1,393,534	432,219			13,958	1,839,711
Total revenues	7,348,717	1,580,866	175,322	1,459	212,318	9,318,682
Expenditures:						
Current:						
General government	453,164					453,164
Education	2,052,303					2,052,303
Economic and employment development	147,404				239,637	387,041
Human resources	753,935					753,935
Health and mental hygiene	1,990,090					1,990,090
Environment	52,245					52,245
Transportation		544,037				544,037
Public safety and judicial	728,105					728,105
Housing and community development	62,179					62,179
Natural resources and recreation	123,297					123,297
Agriculture	43,819					43,819
Intergovernmental	368,341	292,191		155,206		815,738
Debt service:						
Principal retirement			284,216			284,216
Interest			182,981			182,981
Capital outlays		1,033,020		109,015		1,142,035
Total expenditures	6,774,882	1,869,248	467,197	264,221	239,637	9,615,185
Excess (deficiency) of revenues over expenditures	573,835	(288,382)	(291,875)	(262,762)	(27,319)	(296,503)
Other sources (uses) of financial resources:						
Proceeds from capital leases	3,008					3,008
Proceeds from bonds		267,349		232,339		499,688
Operating transfers in	385,408	126,062	293,176	217,664		1,022,310
Operating transfers out	(1,349,436)	(102,675)	(6,799)	(73,386)		(1,532,296)
Net other sources (uses) of financial resources	(961,020)	290,736	286,377	376,617		(7,290)
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	(387,185)	2,354	(5,498)	113,855	(27,319)	(303,793)
Fund balances, July 1, 1989	866,132	139,268	178,201	78,027	643,566	1,905,194
Fund balances, June 30, 1990	$ 478,947	$ 141,622	$ 172,703	$ 191,882	$616,247	$ 1,601,491

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources, and Changes in Fund Balances—Budget and Actual— Budgetary General, Special, Federal, Current Unrestricted and Current Restricted Funds (Note 3) for the year ended June 30, 1990

(Expressed in Thousands)

	Budgetary Funds								
	General Fund			Special Fund			Federal Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Income taxes	$3,012,484	$2,977,113	$ (35,371)	$ 131,586	$ 121,954	$ (9,632)			
Sales and use taxes	1,593,679	1,571,866	(21,813)						
Other taxes	496,886	491,513	(5,373)	1,068,955	1,039,111	(29,844)			
Licenses and fees	105,370	105,243	(127)	196,468	186,096	(10,372)			
Charges for services	64,888	78,346	13,458	116,638	261,656	145,018			
Interest and other investment income	78,949	95,423	16,474	21,113	28,546	7,433			
Appropriated from general fund				222,000	222,000				
Other	324,960	376,555	51,595	855,968	448,618	(407,350)			
Federal revenue	46,569	45,821	(748)		22,447	22,447	$2,057,629	$1,830,001	$(227,628)
Total revenues	5,723,785	5,741,880	18,095	2,612,728	2,330,428	(282,300)	2,057,629	1,830,001	(227,628)
Expenditures and encumbrances by major function:									
Payments of revenue to civil divisions of the State	83,500	83,500		45,067	43,895	1,172			
Public debt	78,500	78,500		316,618	316,618				
Legislative	37,229	36,132	1,097	177	177				
Judicial review and legal	150,104	148,775	1,329	1,793	1,711	82	1,026	924	102
Executive and administrative control	238,764	220,346	18,418	43,311	36,323	6,988	63,545	61,275	2,270
Financial and revenue administration	169,230	166,358	2,872	37,362	36,871	491	2,396	2,301	95
Budgetary and fiscal administration	8,426	8,414	12	219	110	109			
Personnel administration, retirement and employee relations	12,312	12,312		8,456	7,546	910			
General services	41,053	40,744	309	840	788	52	160	141	19
Transportation and highways				1,558,265	1,489,475	68,790	580,499	457,169	123,330
Natural resources and recreation	68,478	67,113	1,365	98,475	88,054	10,421	14,388	13,162	1,226
Agriculture	22,503	22,080	423	22,415	19,286	3,129	3,685	3,559	126
Health, hospitals and mental hygiene	1,327,485	1,327,465	20	46,371	39,049	7,322	611,876	607,957	3,919
Human resources	435,896	425,845	10,051	46,104	21,369	24,735	354,315	327,844	26,471
Licensing and regulation	28,437	28,348	89	187,903	184,543	3,360	3,738	3,132	606
Public safety and correctional services	558,959	556,389	2,570	68,069	67,450	619	3,330	2,781	549
Public education	2,586,492	2,577,959	8,533	33,385	28,904	4,481	256,371	245,670	10,701
Housing and community development	38,850	38,798	52	68,309	61,975	6,334	48,228	44,875	3,353
Economic and employment development	56,095	55,077	1,018	22,228	16,650	5,578	91,705	86,118	5,587
Environment	29,842	29,842		7,254	5,359	1,895	19,719	16,904	2,815
Juvenile services	88,039	88,009	30	107	41	66	2,648	2,049	599
State reserve fund	105,225	34,025	71,200						
Reversions:									
Current year reversions	94,278		94,278						
Prior year reversions		(7,558)	7,558		(2,950)	2,950		(3,422)	3,422
Total expenditures and encumbrances	6,259,697	6,038,473	221,224	2,612,728	2,463,244	149,484	2,057,629	1,872,439	185,190
Changes in encumbrances during fiscal year 1990		4,204	(4,204)		(12,211)	12,211		(13,672)	13,672
Total expenditures	6,259,697	6,042,677	217,020	2,612,728	2,451,033	161,695	2,057,629	1,858,767	198,862
Excess (deficiency) of revenues over expenditures	(535,912)	(300,797)	235,115		(120,605)	(120,605)		(28,766)	(28,766)
Other sources (uses) of financial resources:									
Operating transfers in (out)	14,000	(120,059)	(134,059)		133,243	133,243		28,766	28,766
Excess (deficiency) of revenues over expenditures and other sources (uses) of financial resources	(521,912)	(420,856)	101,056		12,638	12,638			
Fund balances, July 1, 1989	646,583	646,583		525,007	525,007				
Fund balances, June 30, 1990	$ 124,671	$ 225,727	$ 101,056	$ 525,007	$ 537,645	$ 12,638	$ -0-	$ -0-	$ -0-

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

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STATE OF MARYLAND

Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources, and Changes in Fund Balances—Budget and Actual— Budgetary General, Special, Federal, Current Unrestricted and Current Restricted Funds (Note 3) for the year ended June 30, 1990

(Expressed in Thousands)

	Budgetary Funds								
	Higher Education Funds						Totals* (Memorandum Only)		
	Current Unrestricted			Current Restricted					
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Income taxes							$ 3,144,070	$ 3,099,067	$ (45,003)
Sales and use taxes							1,593,679	1,571,866	(21,813)
Other taxes							1,565,841	1,530,624	(35,217)
Licenses and fees							301,838	291,339	(10,499)
Charges for services							181,526	340,002	158,476
Interest and other investment income							100,062	123,969	23,907
Appropriated from general fund							222,000	222,000	
Other	$1,207,980	$1,168,783	$(39,197)	$256,604	$235,811	$(20,793)	2,645,512	2,229,767	(415,745)
Federal revenue							2,104,198	1,898,269	(205,929)
Total revenues	1,207,980	1,168,783	(39,197)	256,604	235,811	(20,793)	11,858,726	11,306,903	(551,823)
Expenditures and encumbrances by major function:									
Payments of revenue to civil divisions of the State							128,567	127,395	1,172
Public debt							395,118	395,118	
Legislative							37,406	36,309	1,097
Judicial review and legal							152,923	151,410	1,513
Executive and administrative control							345,620	317,944	27,676
Financial and revenue administration							208,988	205,530	3,458
Budgetary and fiscal administration							8,645	8,524	121
Personnel administration, retirement and employee relations							20,768	19,858	910
General services							42,053	41,673	380
Transportation and highways							2,138,764	1,946,644	192,120
Natural resources and recreation							181,341	168,329	13,012
Agriculture							48,603	44,925	3,678
Health, hospitals and mental hygiene							1,985,732	1,974,471	11,261
Human resources							836,315	775,058	61,257
Licensing and regulation							220,078	216,023	4,055
Public safety and correctional services							630,358	626,620	3,738
Public education	1,207,980	1,186,501	21,479	256,604	237,940	18,664	4,340,832	4,276,974	63,858
Housing and community development							155,387	145,648	9,739
Economic and employment development							170,028	157,845	12,183
Environment							56,815	52,105	4,710
Juvenile services							90,794	90,099	695
State reserve fund							105,225	34,025	71,200
Reversions:									
Current year reversions							94,278		94,278
Prior year reversions		(805)	805		(16)	16		(14,751)	14,751
Total expenditures and encumbrances	1,207,980	1,185,696	22,284	256,604	237,924	18,680	12,394,638	11,797,776	596,862
Changes in encumbrances during fiscal year 1990		(77)	77		16	(16)		(21,740)	21,740
Total expenditures	1,207,980	1,185,619	22,361	256,604	237,940	18,664	12,394,638	11,776,036	618,602
Excess (deficiency) of revenues over expenditures		(16,836)	(16,836)		(2,129)	(2,129)	(535,912)	(469,133)	66,779
Other sources (uses) of financial resources:									
Operating transfers in (out)		187	187		132	132	14,000	42,269	28,269
Excess (deficiency) of revenues over expenditures and other sources (uses) of financial resources		(16,649)	(16,649)		(1,997)	(1,997)	(521,912)	(426,864)	95,048
Fund balances, July 1, 1989	153,163	153,163		2,218	2,218		1,326,971	1,326,971	
Fund balances, June 30, 1990	$ 153,163	$ 136,514	$(16,649)	$ 2,218	$ 221	$ (1,997)	$ 805,059	$ 900,107	$ 95,048

*These totals are the sum of this page and the preceding page.
The accompanying notes to general purpose financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances Enterprise Funds and Pension Trust Fund for the year ended June 30, 1990

(Expressed in Thousands)

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Pension Trust Fund	
Operating revenues:			
Lottery ticket sales	$ 811,477		$ 811,477
Charges for services and sales	170,374		170,374
Contributions		$ 705,625	705,625
Interest and other investment income	203,830	1,137,825	1,341,655
Other	46,791		46,791
Total operating revenues	1,232,472	1,843,450	3,075,922
Operating expenses:			
Prizes and claims	406,348		406,348
Commissions and bonuses	41,832		41,832
Cost of sales and services	52,307		52,307
Operation and maintenance of facilities	112,129		112,129
General and administrative	68,340	14,308	82,648
Interest	149,530		149,530
Depreciation and amortization	5,446		5,446
Benefit payments and refunds		668,209	668,209
Provision for insurance and loan losses	(36,442)		(36,442)
Other	2,340		2,340
Total operating expenses	801,830	682,517	1,484,347
Operating income	430,642	1,160,933	1,591,575
Non-operating revenues (expenses):			
Investment income	11,679		11,679
Interest expense	(21,167)		(21,167)
Operating grants	43,736		43,736
Other	4,207		4,207
Operating income before transfers	469,097	1,160,933	1,630,030
Operating transfers in	164,429		164,429
Operating transfers out	(377,294)		(377,294)
Net income	256,232	1,160,933	1,417,165
Add: Depreciation of cost of assets acquired from contributed capital	1,313		1,313
Increase in retained earnings/fund balance	257,545	1,160,933	1,418,478
Retained earnings/fund balance, July 1, 1989	884,872	9,090,704	9,975,576
Retained earnings/fund balance, June 30, 1990	$1,142,417	$10,251,637	$11,394,054

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Combined Statement of Cash Flows

Enterprise Funds

for the year ended June 30, 1990

(Expressed in Thousands)

Cash flows from operating activities:		
Operating income		$ 430,642
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:		
Depreciation and amortization	$ 5,446	
Changes in assets and liabilities:		
Decrease (increase) in assets:		
Intergovernmental receivable	8,508	
Other accounts receivable	(8,674)	
Due from other funds	(1,645)	
Inventories	(680)	
Loans and notes receivable	(143,161)	
Other assets	(5,777)	
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	5,694	
Due to other funds	39,987	
Accrued insurance and loan losses	(41,013)	
Other liabilities	12,401	
Deferred revenue	(6,682)	
Liabilities payable from restricted assets	(2,737)	
Accrued retirement costs	2,968	
Accrued workers' compensation costs	667	
Other, net	(418)	
Total adjustments		(135,116)
Net cash provided by operating activities		295,526
Cash flows from noncapital financing activities:		
Increase in lottery prizes, net	39,428	
Proceeds from sale of revenue bonds	318,204	
Principal paid on revenue bonds	(84,493)	
Operating grants received	43,717	
Operating transfers, net	(212,865)	
Net cash provided by noncapital financing activities		103,991
Cash flows from capital and related financing activities:		
Proceeds from sale of revenue bonds	202,060	
Principal paid on notes payable and revenue bonds	(48,168)	
Decrease in loans from other funds	(359)	
Interest payments	(21,167)	
Contributed capital	13,340	
Acquisition and construction of property, plant and equipment	(58,650)	
Proceeds from sale of property, plant and equipment	1,193	
Increase in restricted assets	(162,182)	
Net cash used for capital and related financing activities		(73,933)
Cash flows from investing activities:		
Purchase of investments	(6,149,810)	
Proceeds from maturity and sale of investments	6,077,667	
Interest and gains on investments	11,679	
Increase in deposits, net	(162,119)	
Other, net	3,707	
Net cash used in investing activities		(218,876)
Net increase in cash and short-term investments		106,708
Unrestricted cash and short-term investments balance, July 1, 1989		571,626
Unrestricted cash and short-term investments balance, June 30, 1990		$ 678,334

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Balance Sheet

Higher Education Fund

June 30,1990

(Expressed in Thousands)

	Current Funds		Loan Funds	Plant Funds	Endowment Funds	Total
	Unrestricted	Restricted				
Assets.						
Cash and short-term investments	$ 12,101	$ 613	$ 3,469	$ 20,701	$15,475	$ 52,359
Investments	2			133,930	36,526	170,458
Intergovernmental receivables		39,972				39,972
Tuition, net of allowance of $2,144	17,805					17,805
Other accounts receivable			19	3,678		3,697
Due from other funds	151,740			39,702		191,442
Inventories	13,457					13,457
Loans and notes receivable, net of allowance of $8,347			37,217			37,217
Property, plant and equipment, net				1,716,617		1,716,617
Interfund balances	23,210	(22,407)	(65)	16	(754)	
Other assets	4,187	1,960		2		6,149
Total assets	$222,502	$ 20,138	$40,640	$1,914,646	$51,247	$2,249,173
Liabilities:						
Accounts payable and accrued liabilities	$ 76,130	$ 10,118	$ 12	$ 8,702	$ 1,526	$ 96,488
Deferred revenue	27,806	5,310				33,116
Revenue bonds and other notes payable				250,151		250,151
Accrued retirement costs	50,339					50,339
Accrued workers' compensation costs	13,248					13,248
Accrued annual leave	23,123	950				24,073
Obligations under capital leases				44,131		44,131
Total liabilities	$190,646	$ 16,378	$ 12	$ 302,984	$ 1,526	$ 511,546
Commitments and Contingencies (Notes 18 and 19)						
Fund balances:						
Investment in fixed assets				1,611,662		1,611,662
Reserved for:						
Sponsored research		3,760				3,760
Loans to students			40,628			40,628
Endowment funds					49,721	49,721
Unreserved, undesignated	31,856					31,856
Total fund balances	31,856	3,760	40,628	1,611,662	49,721	1,737,627
Total liabilities and fund balances	$222,502	$ 20,138	$40,640	$1,914,646	$51,247	$2,249,173

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

STATE OF MARYLAND

Statement of Revenues, Expenditures, Interfund Transfers, Operating Transfers and Changes in Fund Balances

Higher Education Fund

for the year ended June 30, 1990

(Expressed in Thousands)

	Current Funds				Endowment Funds	Total
	Unrestricted	Restricted	Loan Funds	Plant Funds		
Revenues and other additions:						
Student tuition and fees	$ 281,857			$ 477		$ 282,334
Federal grants and contracts	28,900	$152,143	$ 1,606	98		182,747
State and local grants and contracts	3,475	57,171				60,646
Private gifts, grants and contracts	7,340	27,414	82	1,796	$ 416	37,048
Sales and services	194,950	41				194,991
Investment income	21,638	2,497	119	4,145	606	29,005
Realized gains on endowment investments					7,582	7,582
Gain on disposal of plant assets				866		866
Interest on loans receivable			1,458			1,458
Other	5,734	11	84	839		6,668
Total revenues	543,894	239,277	3,349	8,221	8,604	803,345
Expenditures and other deductions:						
Educational and general:						
Instruction	418,432	15,034				433,466
Research	55,402	116,172				171,574
Public service	31,844	9,188				41,032
Academic support	91,909	1,649				93,558
Student services	55,756	1,533	287			57,576
Institutional support	127,976	1,237				129,213
Scholarships and fellowships	26,279	38,034	24		20	64,357
Operation and maintenance of plant	111,034	33		1,393		112,460
Auxiliary enterprises	140,083	260				140,343
Hospital	5,299	48,082				53,381
Loan cancellations, write-offs and refunds			(450)			(450)
Disposal of property, plant and equipment				31,179		31,179
Interest on indebtedness				11,412		11,412
Other			38	48	250	336
Total expenditures and other deductions	1,064,014	231,222	(101)	44,032	270	1,339,437
Excess (deficiency) of revenues and other additions over expenditures and other deductions	(520,120)	8,055	3,450	(35,811)	8,334	(536,092)
Higher Education interfund transfers—in (out):						
Mandatory:						
Principal and interest on revenue bonds	(20,092)	(148)		20,240		
Loan fund matching grant	(205)		205			
Non-mandatory:						
Remodeling, renewals and replacements	(101,217)	(7,899)		109,116		
Other	222		(295)	73		
Total Higher Education interfund transfers	(121,292)	(8,047)	(90)	129,429		
Operating transfer from State's general and capital projects funds	650,095			72,756		722,851
Net increase in fund balances	8,683	8	3,360	166,374	8,334	186,759
Fund balances, July 1, 1989	23,173	3,752	37,268	1,445,288	41,387	1,550,868
Fund balances, June 30, 1990	$ 31,856	$ 3,760	$40,628	$1,611,662	$49,721	$1,737,627

The accompanying notes to general purpose financial statements are an integral part of these financial statements.

1. Financial Reporting Entity and Description of Funds and Account Groups:

The accompanying financial statements of the State of Maryland present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the enterprise funds.

The financial statements of the State have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the State's accounting policies are described below:

A. *Reporting Entity:*

The financial statements include the various departments, agencies, and other organizational units governed by the General Assembly and/or constitutional officers of the State of Maryland.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the State's ability to exercise oversight responsibility. The most significant evidence of this ability is financial interdependency. Other evidence of the ability to exercise oversight responsibility includes, but is not limited to, the selection of governing authority, appointment of management, constitutional officers' ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the State and/or its citizens or is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the State is able to exercise oversight responsibilities.

Based on the application of these criteria, the following component units are included within the reporting entity:

Maryland Industrial Development Financing Authority
Maryland Housing Fund
Community Development Administration
Maryland Small Business Development Financing Authority
Maryland Water Quality Financing Administration
Maryland Food Center Authority
Maryland Transportation Authority
Maryland State Lottery Agency
Maryland Environmental Service
State Use Industries
Maryland Higher Education Loan Corporation
Maryland Deposit Insurance Fund Corporation
Maryland Stadium Authority
Unemployment Insurance Program
Maryland State Retirement and Pension Systems
University of Maryland System
St. Mary's College of Maryland
Morgan State University

The following are excluded from the reporting entity:

Maryland Health and Higher Education Facilities Authority—The fiscal operations and management are outside of the State system, the State does not have the ability to significantly influence operations and has no legal liability for deficits or loan defaults, and the governing board selects management staff.

Maryland Automobile Insurance Fund (Fund)—The governing board members are selected equally by the governor and the insurance industry. The board then selects a chairperson. The Fund operates and is managed similar to companies in the insurance industry.

Maryland State Accident Fund (Fund)—The Fund was established to provide workers' compensation insurance for participating employers in the State, including the State of Maryland. Legislation was enacted, effective July 1, 1988, that made the Fund independent of all State agencies, and not subject to any law affecting governmental public entities, with certain exceptions. The commissioners of the Fund have control of its fiscal affairs. They are selected from employers, employees or other citizens of the State by the Governor to serve a 5-year term, indicating that the commissioners are not policy-making instruments of any one Governor. The Fund is independent of the authority of any State official. There are no special financing relationships between the State and the Fund. In its capacity as employer, the State bears the same relationship to the Fund as any other employer. Accordingly, the State Accident Fund is autonomous and is not included in the financial reporting entity.

There are various other entities which are non-state agencies that have been excluded from the reporting entity. These entities, which include the Maryland School for the Blind, Blind Industries and Services of Maryland, Maryland Economic Development Corporation, Maryland National Capital Park and Planning Commission, State Employees Credit Union and the Maryland Credit Union Insurance Corporation, are governed and controlled by their boards, members or by-laws. The scope of public service is limited in many cases and there are no special financial relationships with the State.

B. *Fund Accounting:*

The State uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts which represent the fund's assets, liabilities, equity, revenues and expenditures or expenses. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is then divided into separate "fund types".

GOVERNMENTAL FUND TYPES

Transactions related to the acquisition and use of the government's expendable financial resources received and used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in governmental funds. The governmental fund measurement focus is on determination of financial position (sources, uses and balances of financial resources), rather than on net income determination. Governmental funds include:

General Fund:

Transactions related to resources obtained and used for those services traditionally provided by a state government, which are not accounted for in other funds, are accounted for in the general fund. The services include, among other things, general government, public safety and judicial, health and mental hygiene, human resources and education (other than higher education institutions). Resources obtained from federal grants and used for activities accounted for in the general fund consistent with applicable legal requirements are recorded in the general fund.

Special Revenue Fund:

Transactions related to resources obtained, the uses of which are restricted to specific purposes, are accounted for in the special revenue fund. The special revenue fund includes resources used for operations (other than debt service) of the Maryland Department of Transportation Trust Fund, including construction or improvement of transportation facilities and mass transit operations.

Debt Service Fund:

Transactions related to resources obtained and used for the payment of interest and principal on general long-term debt obligations and transportation debt (other than Maryland Transportation Authority revenue bonds) are accounted for in debt service funds.

Capital Projects Fund:

Transactions related to resources obtained and used for the acquisition, construction or improvement of certain capital facilities, including those provided to political subdivisions and other public organizations are accounted for in the capital projects fund. Such resources are derived principally from proceeds of general obligation bond issues, federal grants and operating transfers from the State's general fund.

The State enters into long-term contracts for construction of major capital projects and records the commitments as encumbrances. Since the fund's resources are received, in many cases, after the long-term contracts are executed and recorded as encumbrances, the undesignated fund balance of the capital projects fund reflects a deficit. This deficit will be funded by future bond proceeds and capital appropriations from the general fund (see Note 9).

PROPRIETARY FUND TYPE

Enterprise Funds:

Transactions related to commercial activities operated by the State are accounted for in the enterprise funds. Proprietary funds differ from governmental funds in that the focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. The enterprise funds include:

1. Economic Development; direct loan and loan insurance programs of the Maryland Departments of Housing and Community Development, Economic and Employment Development and Environment.
2. Maryland Food Center Authority, which owns and operates warehouse facilities for use by wholesale food distributors.
3. Maryland Transportation Authority, which constructs, maintains and operates transportation toll facilities.
4. Maryland State Lottery Agency, which operates the State Lottery.
5. Maryland Environmental Service, which constructs, maintains and operates water supply and liquid and solid waste disposal facilities.
6. State Use Industries, which utilizes inmate labor from State correctional institutions to manufacture goods, wares and merchandise to be sold to State agencies, political subdivisions and charitable, civic, educational, fraternal or religious associations or institutions.
7. Maryland Higher Education Loan Corporation, which assists resident students in meeting costs of attending approved institutions by guarantying loans made by commercial lenders.
8. Maryland Deposit Insurance Fund Corporation, which insured the deposits of member state-chartered savings and loan associations.
9. Maryland Stadium Authority, which is constructing and will maintain and operate facilities for the primary purpose of holding professional baseball and football games in Baltimore.

FIDUCIARY FUND TYPES

Transactions related to assets held by the State in a trustee or agency capacity are accounted for in fiduciary fund types. Fiduciary fund types are comprised of:

1. The expendable trust fund, which reflects the transactions, assets, liabilities and fund equity of the Unemployment Insurance Program. This fund is used to account for the unemployment taxes collected from employers, federal revenue received and remittance of benefits to the unemployed and is accounted for on a flow of current financial resources measurement focus.
2. The pension trust fund, which reflects the transactions, assets, liabilities and fund equities of the State-administered retirement and pension systems and is accounted for using the flow of economic resources measurement focus.

3. Agency funds, which account for the receipt and disbursement of various taxes and federal grant proceeds collected by the State for distribution to the Federal government and political subdivisions, patient and prisoner accounts, amounts in the custody of the State Treasurer to be paid to holders of refunded transportation bonds and amounts withheld from employees and invested in the Deferred Compensation Plan as directed by the employee.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the State's general fixed assets and the unmatured principal of its general long-term debt and other long-term obligations of governmental funds. General fixed assets do not represent financial resources available for appropriation and expenditure, nor does the unmatured principal of general long-term obligations require current appropriation and expenditure of governmental fund financial resources.

General Fixed Assets Account Group:

General fixed assets acquired or constructed for use by the State in the conduct of its activities, other than activities accounted for in the proprietary fund type and the higher education fund, are reflected in the general fixed assets account group at the time of acquisition. As of June 30, 1980, the State established and recorded in the general fixed assets account group the estimated cost of general fixed assets based on available historical cost records. Activity subsequent to June 30, 1980 is recorded at cost. Donated fixed assets are recorded at their fair market value at the time donated. Depreciation is not provided for general fixed assets. Infrastructure assets, consisting principally of highways, roads and bridges are not recorded in the general fixed assets account group.

General Long-Term Debt Account Group:

Unmatured long-term general obligation and transportation bonds payable, capital lease obligations, accrued retirement costs, accrued workers' compensation costs and accrued annual leave related to general governmental activities are reflected in the general long-term debt account group.

HIGHER EDUCATION FUND

Transactions related to the financial activities of State higher education institutions are accounted for in the higher education fund. The financial statements of this fund have been prepared in accordance with the American Institute of Certified Public Accountants' Industry Audit Guide—Audits of Colleges and Universities, and therefore, are presented as a discrete entity in a separate column in the combined balance sheet.

2. Summary of Significant Accounting Policies:

A. *All Funds:*

Grants:

Federal reimbursement type grants are recorded as revenues when the related expenditures, or expenses, are incurred.

Retirement Costs:

Substantially all State employees participate in one of several State retirement systems (see Note 16). The State also provides retirement benefits to teachers and certain other employees of its political subdivisions. Retirement expenditures for governmental fund types represent amounts contributed by the State for the fiscal year. Retirement costs have been provided on the accrual basis predicated on actuarial valuations. The excess amounts of actuarially determined retirement costs over the amounts recorded as expenditures are carried in the general long-term debt account group and accrued as a liability for the proprietary fund type and higher education fund.

Employee Benefit Costs:

Substantially all expenditures for pension, health and Federal Social Security benefits of governmental fund types, including approximately $479,703,000 of expenditures applicable to teachers and other employees of political subdivisions are reported as program expenditures in the respective funds when paid. Material benefit costs applicable to the proprietary fund type and higher education fund are reflected as expenses or expenditures in the appropriate funds.

The State also provides post-retirement health insurance benefits to retired employees and their dependents. During fiscal year 1990 these benefits amounted to $65,676,000. The cost of these benefits are recognized as the benefits are paid.

Principally all full-time employees accrue annual leave based on the number of years employed up to a maximum of 25 days per calendar year. Earned annual leave may be accumulated up to a maximum of 45 days as of the end of each calendar year. Accumulated earned but unused annual leave for general government employees is accounted for in the general long-term debt account group. Liabilities for accumulated earned but unused annual leave applicable to the proprietary fund type and the higher education fund are reported in the respective funds.

Total Memorandum Only:

The "Total Memorandum Only" column represents an aggregation of the individual combined financial statements and does not represent consolidated financial information.

B. *Governmental Fund Types, Expendable Trust and Agency Funds:*

Basis of Accounting:

The accounts of the general, special revenue, debt service, capital projects, expendable trust and agency funds are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are susceptible to accrual and recognized in the financial statements when they are measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year. Material revenues susceptible to accrual include: federal grants, income taxes, sales and use tax and motor vehicle fuel and excise taxes. Expenditures are recognized when obligations are incurred as a result of receipt of goods and services. Modifications to the accrual basis of accounting include:

- Interest on long-term obligations reflected in the general long-term debt account group is recognized in the debt service funds when it becomes payable.
- Inventories of materials and supplies are recorded as expenditures when purchased. Such inventories are not material.
- Obligations for retirement costs, workers' compensation costs and employees' vested annual leave and sick leave are recorded as expenditures when paid.
- Encumbrances represented by executed and unperformed purchase orders and contracts, which are approved by the Department of Budget and Fiscal Planning, are recorded as reservations of fund balance as of the end of the fiscal year.

Income Taxes:

The State accrues an income tax receivable for those estimated income tax revenues relating to fiscal year 1990 that will not be collected until fiscal year 1991. The receivable is computed based on historical experience using statistical analysis.

Sales and Use Taxes:

The State accrues as a receivable June sales taxes that are unremitted at June 30, 1990. These taxes are considered measurable and available as they represent June collections that are remitted to the State in July.

Property Taxes:

The State levies an annual tax for the fiscal year beginning July 1 and ending June 30 on all real and personal property subject to taxation, due and payable each July 1 (lien date), based on assessed values as of the previous January 1, established by the State Department of Assessments and Taxation at various rates of estimated market value. Each of the counties, Baltimore City and incorporated municipalities establishes rates and levies its own tax on such assessed values. The State tax rate since 1982 has been maintained at 21¢ per $100 of assessed value. Unpaid property taxes are considered in arrears on October 1 and penalty and interest of 1% is assessed for each month or fraction of a month that the taxes remain unpaid. Current collections are 98.7% of the total tax levy for fiscal year 1990.

Intergovernmental Expenditures:

Expenditures of general, special revenue and capital projects fund revenues designated for payment to political subdivisions and bond proceeds granted to political subdivisions and other public organizations are recorded as intergovernmental expenditures. Direct grants and other payments to, or on behalf of, political subdivisions are recorded as current expenditures.

Capital Outlays:

Principally all capital expenditures for the acquisition or construction of State general fixed assets are reported as capital outlays in the capital projects fund.

Reserved and Designated General Fund and Special Revenue Fund Balances:

Loans receivable maturing after June 30, 1991, in the amount of $3,795,000 are not available for current operations; accordingly, the amount has been reflected as a reservation of general fund balance.

A portion of the general fund balance and the special revenue fund balance, in the amount of $139,568,000 and $4,031,000, respectively, at June 30, 1990, representing special budgetary and nonbudgeted agency resources, was designated for agency activities and programs.

A portion of the general fund balance, in the amount of $124,930,000 at June 30, 1990, has been designated for the State Reserve Fund. The State Reserve Fund is comprised of a Dedicated Purpose Account, an Economic Development Opportunities Program Fund and a Revenue Stabilization Account with balances of $1,640,000, $5,225,000 and $118,065,000 respectively, at June 30, 1990. The Dedicated Purpose Account is designed to retain appropriations for major multi-year expenditures and to meet contingency requirements. The major use of the account has been the accumulation of reserves to meet the State's commitment to make payments to insured account holders of certain State chartered savings and loans in receivership (see Note 15). The Economic Development Opportunities Program Fund is to be used for extraordinary economic development opportunities and only as a supplement to existing programs. The Revenue Stabilization Account is designed to retain State revenues for future needs and reduce the need for future tax increases.

A portion of the special revenue fund balance, in the amount of $3,045,000 at June 30, 1990, has been designated for the Maryland Emergency Medical Services System, which was established to provide funds to be used for the procurement of new helicopters and related equipment, ground support equipment and other capital equipment related to the helicopters, and for equipment related to the Emergency Medical Services' Communication System.

C. *Enterprise Funds and Pension Trust Funds:*

Basis of Accounting:

The accounts of the enterprise funds and pension trust fund are maintained and reported using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Property, Plant and Equipment:

Significant property, plant and equipment of enterprise funds are stated at cost. Depreciation of the cost of property, plant and equipment of the Maryland Food Center Authority, Maryland State Lottery Agency, Maryland Environmental Service, State Use Industries, Maryland Higher Education Loan Corporation and the Maryland Stadium Authority is provided on the straight-line basis over estimated useful lives of 25 to 50 years for depreciable real property, 5 to 10 years for building improvements and 3 to 10 years for equipment. Repairs and maintenance are charged to operations in the period incurred. Replacements, additions and betterments are capitalized.

The Maryland Transportation Authority (Authority) accounts for toll facilities pursuant to betterment accounting, whereby property costs represent a historical accumulation of costs expended to acquire rights-of-way and to construct, reconstruct, and place in operation the various projects and related facilities. Costs also include the cost of improvement, enlargement, betterments and certain general and administrative expenses incurred during the construction phase. Subsequent betterments are capitalized. All such costs are not reduced for subsequent replacements, as such replacements are accounted for as a period cost. Such period costs are included in operation and maintenance of facilities. Depreciation of the projects and related facilities is not included as an operating expense or otherwise provided. The Authority is required, by trust agreement covenants, to at all times maintain the facilities in good repair and in sound operating condition and make all necessary repairs, renewals and replacements. Essentially, the majority of the Authority's assets (bridges, tunnels and turnpikes) have an indefinite life. These policies are consistent with practices followed by similar entities within the toll bridge, turnpike and tunnel industry.

Lottery Revenues, Prizes and Operating Transfer:

Revenues and prizes of the Maryland State Lottery Agency are generally recognized as drawings are held. Certain prizes are payable in deferred installments. Such liabilities are recorded at the present value of amounts payable in the future. State of Maryland law requires the Lottery to transfer to the State revenues in excess of amounts allocated to prize awards, operating expenses and capital expenditures payments. The excess revenues from selected games are transferred to the Maryland Stadium Authority. The excess revenues from all other games are transferred to the State's general fund.

Provisions for Insurance and Loan Losses:

Current provisions are made for estimated losses resulting from insurance of loans and uncollectible loans. Loss provisions are based on the current status of insured and direct loans, including delinquencies, economic conditions, loss experience, estimated value of collateral and other factors which may affect their realization.

The Maryland Deposit Insurance Fund Corporation provides for insurance losses at the time a member savings and loan association requires financial assistance or when such assistance is anticipated. These amounts are reviewed periodically and adjusted as required based on the financial and economic conditions at the time.

Inventories:

Inventories of the Maryland Transportation Authority and State Use Industries are stated at the lower of cost, using the first-in, first-out method, or market.

Enterprise Funds Reserved Retained Earnings:

Retained earnings of the Maryland State Lottery Agency in the amount of $4,258,000 are reserved for the payment of unclaimed prizes.

Retained earnings of the Maryland Environmental Service in the amount of $1,491,000 are reserved for furtherance of program development activities.

Statement of Cash Flows:

The State has adopted Statement No. 9 of the Governmental Accounting Standards Board, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting", for the purpose of presenting its 1990 financial statements.

D. *Higher Education Fund:*

Basis of Accounting:

The accounts of the higher education institutions are maintained and reported on the accrual basis of accounting except as explained below concerning the recognition of tuition and fees revenue and depreciation.

Fund Accounting:

The financial activities of the higher education institutions are recorded in funds which classify the various transactions by specified activities or objectives. Fund balances of current restricted, loan and endowment funds are reported as reserved for higher education programs and higher education general endowment funds.

Unrestricted revenue is accounted for in the current unrestricted fund. Restricted gifts, grants, endowment income and other restricted resources are accounted for in the current restricted fund, loan funds, endowment and plant funds. Revenue and expenditures are reported in the current restricted fund when financial resources are used for the current operating purposes for which they have been provided. Transactions related to the various student loan programs operated by the educational institutions are accounted for in loan funds. Resources dedicated to the acquisition and investment in property, plant and equipment are accounted for in the plant funds. To the extent current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt repayment and interest, and equipment renewals and replacements; and (3) transfers of a nonmandatory nature in all other cases.

General endowment funds are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity and that only the income be utilized. Term endowment funds are similar to general endowment funds except, upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended. Quasi-endowment funds have been established by the institutions for the same purpose as general endowment funds, except any portion of quasi-endowment funds may be expended. The balances of the fund groups which comprise the endowment funds are general endowment, $42,323,000; term endowments, $104,000; and quasi-endowments, $7,294,000.

Student Revenues:

Student tuition and fees are fully recognized as revenues in the fiscal year in which the related courses or activities are principally conducted. Student tuition and fees applicable to future courses and activities and collected as of the end of the fiscal year are recorded as deferred revenue.

Accounts and Notes Receivable:

An allowance for doubtful receivables is provided for estimated losses expected to be incurred in collection. The estimated losses are based on historical collection experience and a review of the status of existing receivables.

Inventories:

Inventories are stated at the lower of cost, using the first-in, first-out method, or market.

Property, Plant and Equipment:

Property, plant and equipment are stated principally at cost at date of acquisition or fair value at date of donation in the case of gifts. Consistent with generally accepted accounting principles for colleges and universities, depreciation is not provided for the cost of plant assets.

Operating Transfers from State:

A substantial portion of the higher education fund's current unrestricted and plant fund expenditures are funded through appropriations from the general fund and capital projects fund, respectively, at the time the expenditures are encumbered or paid.

3. Budgeting and Budgetary Control:

The Maryland Constitution requires the Governor to submit to the General Assembly an annual balanced budget for the following fiscal year. This budget is prepared and adopted for the following five Budgetary Funds:

General Fund:

The General Fund is the fund in which all general transactions of the State are recorded, unless otherwise directed to be included in another fund.

Special Fund:

The Special Fund includes all of the transportation activities of the State (except for the Maryland Transportation Authority), fishery and wildlife funds, shared taxes and payments of debt service on general obligation bonds, whereas the GAAP Special Revenue Fund includes only the operations (other than debt service) of the Maryland Department of Transportation Trust Fund.

Federal Fund:

The Federal Fund is the fund in which principally all grants from the Federal government are recorded.

Higher Education Funds:

Current Unrestricted Fund: Unrestricted revenue used or available for use in carrying out the current operations of the State's colleges and universities is accounted for in the current unrestricted fund.

Current Restricted Fund: Restricted gifts, grants and other restricted resources are accounted for in the current restricted fund.

In addition to the annual budget, the General Assembly adopts authorizations for the issuance of general obligation bonds and the expenditures of the funds obtained thereby are accounted for in the capital projects fund. Because capital projects fund authorizations are not part of the annual budget, capital projects fund activities are not presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special, Federal, Current Unrestricted and Current Restricted Funds.

All State budgetary expenditures for the general, special, federal, current unrestricted and current restricted funds are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendments. State governmental departments and independent agencies may, with the Governor's approval, amend the appropriations by major function within the general fund, provided they do not exceed their total general fund appropriations as contained in the annual budget. Increases in general fund appropriations must be approved by the General Assembly. For the fiscal year ended June 30, 1990, the General Assembly approved increases in General Fund appropriations aggregating $88,798,000. Appropriations for programs funded in whole or in part from the special, federal, current unrestricted or current restricted funds may permit expenditures in excess of original special, federal, current unrestricted or current restricted fund appropriations to the extent that revenues from the particular special, federal, current unrestricted or current restricted fund sources exceed original budget estimates and such additional expenditures are approved by the Governor or, in case of the University of Maryland System, the Board of Public Works. Unexpended appropriations from the general fund may be carried over to succeeding years to the extent encumbrances are approved by the Department of Budget and Fiscal Planning; all other appropriations lapse as of June 30, 1990. Unexpended appropriations from special, federal, current unrestricted and current restricted funds may be carried over to the extent of (a) available resources, and (b) encumbrances approved by the Department of Budget and Fiscal Planning.

The amended budget adopted by the General Assembly for the general, special, federal, current unrestricted and current restricted funds is presented in the Combined Statement of Revenues, Expenditures and Encumbrances, Other Sources and Uses of Financial Resources and Changes in Fund Balances—Budget and Actual—Budgetary General, Special, Federal, Current Unrestricted and Current Restricted Funds. The State's budgetary fund structure and the basis of accounting used for budgetary purposes, which is the modified accrual basis with certain exceptions, differs from that utilized to present financial statements in conformity with generally accepted accounting principles. The budgetary system's principal departures from the modified accrual basis are the classification of the State's principal funds and the timing of recognition of certain revenues and expenditures. A summarization of the effect of the fund structure differences and exceptions to the modified accrual basis of accounting, as of June 30, 1990, follows (amounts expressed in thousands):

	Total Budgetary Fund Equities and Other Accounts	Financial Statement Funds						
	June 30, 1990	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	Higher Education
Classification of budgetary fund equities and other accounts into GAAP fund structure:								
General	$ 225,727	$225,727						
Special revenue	537,645	175,599	$137,591	$ 79,172	$ 16,043	$ 129,240		
Current unrestricted	136,514							$ 136,514
Current restricted	221							221
Other accounts (a):								
Non-budgeted	40,664	36,430	4,031			203		
Debt service transportation bonds	93,531			93,531				
Capital projects	270,129				175,839	94,290		
Enterprise	2,092,412					2,092,412		
Expendable trust	616,247						$ 616,247	
Pension trust	10,251,637						10,251,637	
Higher education	1,600,892							1,600,892
Budgetary fund equities and other accounts classified into GAAP fund structure	$15,865,619	437,756	141,622	172,703	191,882	2,316,145	10,867,884	1,737,627
Accounting principle differences:								
Assets recognized in the GAAP financial statements not recognized for budgetary purposes:								
Taxes receivable		53,679						
Intergovernmental receivables		56,514						
Other accounts receivable		18,063						
Due from other funds		39,000						
Loans to other funds		(500)						
Liabilities recognized in GAAP financial statements not recognized for budgetary purposes:								
Accounts payable and accrued liabilities		(69,848)						
Local income taxes payable to local income taxes agency fund		(55,717)						
GAAP financial statement fund equities, June 30, 1990		$478,947	$141,622	$172,703	$191,882	$2,316,145	$10,867,884	$1,737,627

(a) The State's accounting system is maintained by the Comptroller in compliance with State Law and in accordance with the State's Budgetary Funds. In addition to the accounting system maintained by the Comptroller, certain individual agencies which are not subject to the State budget maintain accounting systems which permit financial reporting on the basis of generally accepted accounting principles. The change in net assets of agencies whose accounting systems are not entirely maintained by the Comptroller are recorded in the State's accounting system as of June 30 each year.

4. Cash and Short-Term Investments and Investments:

Substantially all cash and short-term investments of the governmental fund types and certain proprietary and fiduciary funds are maintained by the State Treasurer on a pooled basis. The State Treasurer's Office invests short-term funds on a daily basis. The investments consist of purchases of securities or repurchase agreements. Under the State Finance and Procurement Article of the Annotated Code of Maryland, Title 6, Subtitle 2, the State Treasurer may only invest in the following:

- Any obligation for which the United States has pledged its faith and credit for the payment of principal and interest.
- Any obligation that a federal agency issues in accordance with an act of Congress.
- Repurchase agreements that any of these obligations secure.
- Bankers acceptances.
- Mutual Funds that invest solely in federal obligations.

A significant portion of the investments maintained by the State Treasurer consist of repurchase agreements. Collateral, which must be at least 102% of the face value of the repurchase agreement, must be delivered to the State Treasurer's custodian for safekeeping. Investments maturing within 90 days of purchase are reported in the financial statements as cash and short-term investments.

Investments are classified as to credit risk by the three categories described below:

Category 1 Insured or registered, or securities held by the State or its agent in the State's name.

Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name.

Category 3 Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name.

A. *Governmental Fund Types, Expendable Trust and Agency Funds:*

The bank deposits of the governmental fund types, expendable trust and agency funds as of June 30, 1990 were entirely insured or collateralized with securities held by the State or its agent in the State's name.

At June 30, 1990 cash in the amount of $4,407,000 was maintained with fiscal agents and represents funds transmitted to bond paying agents for which coupons have not been presented. These funds were entirely insured or collateralized with securities held by the State or its agent in the State's name.

Investments of the Deferred Compensation Plan are stated at market value. All other investments are stated at cost, adjusted for amortization of premium and accretion of discounts. Repurchase agreements aggregating $1,035,265,000 (market value of collateral of $1,046,739,000), U.S. Treasury and agency obligations aggregating $35,341,000 (market value of $35,486,000) and certificates of deposit aggregating $5,205,000 at June 30, 1990, are reported as cash and short-term investments in governmental fund types. Also reported as cash and short-term investments in the special revenue fund is $15,286,000 of unexpended bond proceeds invested in a tax-exempt money market trust. The collateral for the repurchase agreements is held by the State's agent in the State's name. The certificates of deposit are held by the State.

The investments at June 30, 1990 for the governmental fund types, expendable trust and agency funds are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U.S. Treasury and agency obligations	$778,332			$ 778,332	$ 852,267
Repurchase agreements	900			900	937
Other	12,130			12,130	12,121
	$791,362			791,362	865,325
Deferred Compensation Plan				374,104	374,104
Total				$1,165,466	$1,239,429

B. *Enterprise and Pension Trust Funds:*

The bank deposits of the enterprise and pension trust funds as of June 30, 1990 were entirely insured or collateralized with securities held by the fund or its agent in the fund's name.

Investments of the enterprise funds are stated at cost, adjusted for amortization of premiums and accretion of discounts. The investment policies for all enterprise funds, with the exception of the Community Development Administration, are the same as those of the State Treasurer. The Community Development Administration, an agency of the Department of Housing and Community Development, is authorized to invest in obligations of the U.S. Treasury, U.S. Government agencies and corporations, political subdivisions of the U.S., bankers acceptances, repurchase agreements, corporate debt securities and certificates of deposit with foreign or domestic banks. Repurchase agreements aggregating $461,253,000 (market value of collateral of $462,565,000), U.S. Treasury and agency obligations aggregating $1,632,000 (market value of $1,632,000) and certificates of deposit aggregating $17,417,000 at June 30, 1990 are reported as cash and short-term investments in the enterprise funds. The certificates of deposit, U.S. Treasury and agency obligations and collateral for the repurchase agreements are held by the fund's agent in the fund's name.

The Pension Trust Fund, in accordance with Article 73 B, Section 160 of the Annotated Code of Maryland, is permitted to make investments subject to the terms, conditions, limitations, and restrictions imposed by the Board of Trustees of the Maryland State Retirement and Pension Systems. The law further provides that not more than 15% of the assets that are invested in common stocks may be invested in non-dividend paying common stocks. The pension trust fund's investments are commingled in three combined investment funds. Two investment funds consist principally of bonds and other fixed income investments while the other investment fund consists principally of common stocks. Certain amounts totalling $210,537,000 (market value of $210,746,000) are not invested in the investment funds, but are held as cash and short-term investments. Investments of the pension trust fund are stated at cost, adjusted for amortization of premiums and accretion of discounts.

The investments at June 30, 1990 for the enterprise and pension trust funds are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U.S. Treasury and agency obligations	$ 281,843			$ 281,843	$ 299,702
Repurchase agreements	14,108			14,108	14,367
Bonds	6,847,208			6,847,208	7,151,213
Corporate equity securities	1,781,388			1,781,388	2,622,952
Annuity contract	234,873			234,873	234,873
Other	301,884			301,884	300,342
	$9,461,304			9,461,304	10,623,449
Mutual funds				1,113,668	1,295,035
Total				$10,574,972	$11,918,484

C. *Higher Education Fund:*

The bank deposits of the Higher Education Fund (Fund) as of June 30, 1990 were entirely insured or collateralized with securities held by the fund or its agent in the fund's name with the exception of $2,637,000, which was not insured or collateralized.

Investment funds established by higher education institutions relate principally to endowment and trust accounts required by debt instruments. In general, endowment funds can be invested in debt and equity securities and trust accounts can be invested only in debt securities. These investments include U.S. Treasury and agency obligations, certificates of deposit, commercial paper, repurchase agreements, bankers acceptances and money market funds.

Investments of the higher education institutions are stated at cost, adjusted for amortization of premiums and accretion of discounts. Certificates of deposit and other short-term investments in the Fund aggregating $20,810,000 at June 30, 1990, are reported as cash and short-term investments.

The investments at June 30, 1990 for the higher education fund are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U.S. Treasury and agency obligations	$ 48,843			$ 48,843	$ 48,813
Corporate debt securities	4,016			4,016	3,984
Corporate equity securities	22,914			22,914	27,602
Other	94,360	$325		94,685	95,987
Total	$170,133	$325		$170,458	$176,386

5. Taxes Receivable:

Taxes receivable, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

	Funds			
	General	Special Revenue	Debt Service	Trust and Agency
Income taxes	$369,511			
Sales and use taxes	169,427			
Transportation taxes, principally motor vehicle fuel and excise		$47,546		
Unemployment compensation taxes				$66,153
Other taxes, principally alcohol, tobacco and property	3,254		$3,098	
	542,192	47,546	3,098	66,153
Less allowance for doubtful accounts	648			14,196
Taxes receivable, net	$541,544	$47,546	$3,098	$51,957

6. Due From/To Other Funds:

Interfund receivables and payables, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

Receivable Fund	Payable Fund	Amount
General fund	Special revenue fund	$ 1,584
	Enterprise fund—Maryland State Lottery Agency	20,963
	—Maryland Deposit Insurance Fund Corporation	39,000
	Agency funds—Local admissions and amusement taxes	1,134
Special revenue fund	General fund	109,638
	Agency funds—Refunded transportation debt	114
Debt service funds—		
Transportation bonds	Special revenue fund	1,403
Agency funds—		
Local income taxes	General fund	100,717
Enterprise Funds—	Enterprise Funds—	
Economic Development—Loan Programs	Economic Development—Insurance Programs	1,645
Higher Education	General fund	191,442
		$467,640

7. Loans and Notes Receivable:

Loans and notes receivable, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

	Funds				
	General	Debt Service	Capital Projects	Enterprise	Higher Education
Notes receivable for advances of general obligation bond proceeds:					
Political subdivisions:					
Public school construction		$ 5,879			
Other		19,717			
Hospitals and nursing homes		30,530			
Permanent mortgage loans				$1,581,928	
Savings and loan association loans				9,027	
National direct student loans					$37,500
Health profession loans					7,612
Shore erosion loans			$14,820		
Other	$3,680	2,210		5,927	452
	3,680	58,336	14,820	1,596,882	45,564
Less allowance for possible loan losses		1,178			8,347
Loans and notes receivable, net	$3,680	$57,158	$14,820	$1,596,882	$37,217

Notes receivable for advances of general obligation bond proceeds bear interest at rates ranging from 3% to 9.19% and mature over the next 30 years. Notes receivable maturing after June 30, 1991 in the amount of $53,730,000 are deemed to be not available for debt service because such amounts do not represent available expendable financial resources. Accordingly, the amount has been reflected as a reservation of debt service fund balance.

The permanent mortgage loans consist of financing for single and multi-family projects, rental projects, small businesses, industrial sites and various other purposes. Substantially all the mortgage loans are insured or guaranteed, and accordingly, no allowance for loan losses was necessary at June 30, 1990.

Savings and loan association loans are purchased from or made to member associations of the Maryland Deposit Insurance Fund Corporation (see Note 15).

National direct student loans and health profession loans are made pursuant to student loan programs funded through the U.S. Government.

8. Property, Plant and Equipment:

Property, plant and equipment, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

Enterprise Funds:

	Depreciable Assets	Non-depreciable Assets
Land and improvements (includes land being held for sale of $1,591)		$ 4,594
Structure and improvements	$37,070	1,859,630
Equipment	33,606	339
	70,676	1,864,563
Less accumulated depreciation	39,610	
Total	$31,066	$1,864,563

General Fixed Assets:

General fixed assets activity by asset classification for the year ended June 30, 1990, was as follows (amounts expressed in thousands):

Classification	Balance July 1, 1989	Additions	Deletions	Transfers in (out)	Balance June 30, 1990
Land and improvements	$ 611,240	$ 35,591	$ 283	$ 28,063	$ 674,611
Structure and improvements	2,237,933	52,733	5,931	52,173	2,336,908
Equipment	815,458	102,212	37,874	42,955	922,751
Construction in progress	259,748	255,532		(123,191)	392,089
Total	$3,924,379	$446,068	$44,088	$ -0-	$4,326,359

Higher Education Fund:

Property, plant and equipment, as of June 30, 1990, consisted of the following (amounts expressed in thousands):

Land	$ 55,195
Buildings and improvements	1,027,239
Contents	501,921
Construction in progress	132,262
Total	$1,716,617

9. General Obligation Bonds:

General obligation bonds are authorized and issued primarily to provide funds for state owned capital improvements, including facilities for institutions of higher education, and the construction of public schools in political subdivisions. Bonds have also been issued for local government improvements, including grants and loans for water quality improvement projects and correctional facilities, and to provide funds for repayable loans or outright grants to private, not-for-profit cultural or educational institutions. Under constitutional requirements and practice, the Maryland General Assembly, by a separate enabling act, authorizes a loan for a particular object or purpose. Thereafter, the Board of Public Works, a constitutional body composed of the Governor, the Comptroller of the Treasury and the State Treasurer, by resolution, authorizes the issuance of bonds in a specified amount for part or all of the loan authorized by a particular enabling act.

General obligation bonds, which are paid from the general obligation debt service fund, are backed by the full faith and credit of the State and, pursuant to the State Constitution, must be fully paid within 15 years from the date of issue. Property taxes, debt service fund loan repayments and general fund appropriations provide the resources for repayment of general obligation bonds.

The proceeds of general obligation bonds issued after December 31, 1986 are subject to Federal regulations governing the investment and use of proceeds of tax-exempt debt issuances.

Bonds issued after January 1, 1980 are subject to redemption provisions at the option of the State.

During the year, general obligation bonds aggregating $234,227,000 were issued with a discount of $1,888,000.

General obligation bonds outstanding and bonds authorized but unissued, as of June 30, 1990, were as follows (amounts expressed in thousands):

Purpose	Outstanding		Authorized But Unissued
	Interest Rates	Amount	Amount
General construction	5.7 % to 11.3%	$ 827,883	$431,891
Public school construction	4.7 to 11.0	565,465	109,710
Water quality	5.75 to 11.0	165,745	131,395
Sanitary facilities and sewage treatment	4.7 to 11.0	9,700	19,105
Hospitals and nursing homes	4.7 to 9.2	33,340	8,530
Community colleges and vocational schools	5.0 to 11.0	24,105	24,000
Housing loans	8.2 to 11.0	47,080	5,503
Jails and correctional institutions	4.75 to 11.0	84,616	107,821
Private colleges	5.7 to 11.3	30,679	19,454
Social, cultural and historical	4.7 to 11.0	64,386	25,146
Other	8.2 to 11.0	133,907	110,375
		$1,986,906	$992,930

As of June 30, 1990, general obligation debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands):

Years Ending June 30,	Total	Years Ending June 30,	Total
1991	$381,994	1999	$144,634
1992	320,877	2000	144,853
1993	284,191	2001	111,986
1994	261,737	2002	96,506
1995	271,226	2003	77,762
1996	236,256	2004	42,782
1997	221,128	2005	24,080
1998	196,304		

On July 17, 1990, general obligation bonds aggregating $95,000,000 were issued with a discount of $932,000. The interest rates on this issue range from 6.4% to 6.8% and the bonds mature serially through 2006. On October 16, 1990, general obligation bonds aggregating $95,000,000 were issued with a discount of $949,000. The interest rates on this issue range from 6.1% to 7.1% and the bonds mature serially through 2006.

10. Transportation Bonds:

Transportation Bonds outstanding as of June 30, 1990, were as follows (amounts expressed in thousands):

	Outstanding
Consolidated Transportation Bonds—5.2% to 9.0%, due serially through 2005	$550,000
County Transportation Bonds—4.0% to 5.6% Refunding Series, due serially through 1998	27,300
County Transportation Bonds—5.3% to 11.0%, due serially through 2004	130,405
	$707,705

Consolidated Transportation Bonds are limited obligations issued by the Department of Transportation (Department) for highway, port, airport or mass transit facilities or any combination of such facilities, the principal of which must be paid within 15 years from the date of issue. The outstanding aggregate principal amount of these bonds may not by law exceed $950,000,000. At June 30, 1990, the principal amount of additional bonds which may be issued under this limitation was $400,000,000.

Consolidated Transportation Bonds are paid from the transportation debt service fund except for the Bond Anticipation Notes (none outstanding at June 30, 1990) which are paid from the proceeds of Consolidated Transportation Bonds which are deposited in the special revenue fund. Principal of and interest on Consolidated Transportation Bonds are payable from the proceeds of certain excise taxes levied by statute and the corporate income tax as credited to the Department. These amounts are applicable to the extent necessary for that exclusive purpose before being available for other uses by the Department. If those tax proceeds become insufficient to meet debt service requirements, other receipts of the Department are available for that purpose. The holders of such bonds are not entitled to look to other State resources for payment.

Under the terms of authorizing bond resolutions, additional Consolidated Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts (excluding federal funds for capital projects, bond and note proceeds, income received from a sinking fund separately dedicated to the Refunding Bonds, and other receipts not available for debt service), less administration, operation and maintenance expenses, for the preceding fiscal year equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and that (ii) total proceeds from pledged taxes equal at least two times the maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued.

County Transportation Bonds are issued by the Department and the proceeds are used by participating counties and Baltimore City to fund local road construction, reconstruction and other transportation projects and facilities and to provide local participating funds for federally-aided highway projects. Debt service on these bonds is payable from the counties' and Baltimore City's shares of highway user revenues.

By law, the Department may not issue County Transportation Bonds on behalf of a participant if such participant's share of highway user revenues for the latest fiscal year is less than twice such participant's maximum annual debt service on County Transportation Bonds.

The proceeds of transportation bonds issued after December 31, 1986 are subject to Federal regulations governing the investment and use of proceeds of tax-exempt debt issuances.

During the year, Consolidated Transportation Bonds aggregating $260,000,000 were issued with a discount of $2,502,000 and County Transportation Bonds aggregating $9,905,000 were issued with a discount of $99,000.

As of June 30, 1990, Transportation bond debt service requirements for principal and interest in future years were as follows (amounts expressed in thousands):

Years Ending June 30,	Consolidated Transportation Bonds	County Transportation Bonds	Total Transportation Bond Debt Service Requirements
1991	$55,123	$24,506	$79,629
1992	53,713	24,645	78,358
1993	59,337	24,701	84,038
1994	58,429	24,284	82,713
1995	67,577	24,375	91,952
1996	66,922	17,273	84,195
1997	63,099	16,548	79,647
1998	66,351	12,073	78,424
1999	64,142	9,382	73,524
2000	61,836	6,285	68,121
2001	29,423	5,254	34,677
2002	33,077	3,986	37,063
2003	33,871	1,921	35,792
2004	34,487	1,105	35,592
2005	34,925		34,925

At June 30, 1990, $548,905,000 of outstanding Consolidated Transportation Bonds, State Highway Construction and County Transportation Bonds are defeased and, therefore, are not included as long-term debt in the accompanying financial statements.

On August 1, 1990, Consolidated Transportation Bonds aggregating $100,000,000 were issued with a discount of $960,000. The interest rates on this issue range from 6.2% to 6.7% and mature serially through 2006. On October 31, 1990, Consolidated Transportation Bonds aggregating $210,000,000 were issued with a discount of $2,042,000. The interest rates on this issue range from 6.2% to 6.8% and mature serially through 2006.

11. Changes in General Long-Term Debt:

Changes in general long-term debt, for the year ended June 30, 1990, are summarized as follows (amounts expressed in thousands):

	General Obligation Bonds	Transportation Bonds	Accrued Retirement Costs	Accrued Workers' Compensation Costs	Accrued Annual Leave	Obligations Under Capital Leases
Balance, July 1, 1989	$2,005,360	$469,290	$367,628	$40,653	$105,182	$45,372
Bond issuances	234,227	269,950				
Increase in obligations under capital leases						3,008
Bond principal retirements	(252,681)	(31,535)				
Retirement of obligations under capital leases						(5,401)
Excess of expenditures in governmental fund types over actuarially determined retirement costs			(34,962)			
Amortization of prior years' liability for unfunded retirement costs			(11,185)			
Net increase in accrued workers' compensation costs				10,393		
Net increase in accrued annual leave					13,833	
Balance, June 30, 1990	$1,986,906	$707,705	$321,481	$51,046	$119,015	$42,979

12. Other Long-Term Obligations:

A. *Governmental Fund Types:*

Accrued Workers' Compensation Costs:

The State is insured for workers' compensation losses by the State Accident Fund (Fund) under a contract which provides for the State to pay premiums based upon loss experience plus a proportionate share of administrative costs. In the event of termination of the contract, the State is obligated for any premium deficiency existing at the time of termination.

A liability for accrued workers' compensation costs in the amount of $51,046,000 exists at June 30, 1990. This amount represents the liability for anticipated claims and claims expense for State employees (governmental fund types) less the cumulative excess of premiums paid to the Fund and net investment income over net claims paid and operating expense applicable to State coverage.

Obligations Under Capital Leases:

Obligations under capital leases of $42,979,000 exist as of June 30, 1990 bearing interest at annual rates ranging from 4.6% to 9.25%. The following is a schedule of annual future minimum payments under these obligations, along with the present value of the related net minimum payments as of June 30, 1990 (amounts expressed in thousands):

Years Ending June 30,	Amount
1991	$ 9,490
1992	6,371
1993	5,642
1994	4,005
1995	3,672
1996 and thereafter	44,886
Total future minimum payments	74,066
Less amount representing interest	31,087
Present value of net minimum lease payments	$42,979

B. *Enterprise Funds:*

Community Development Administration (Administration):

Revenue B nds:

The Administration, an agency of the Department of Housing and Community Development, has issued revenue bonds, the proceeds of which were used to provide funds for its various mortgage loan programs. Assets aggregating approximately $2,077,995,000 and revenues of each mortgage loan program are pledged as collateral for the revenue bonds. Interest rates range from 4.7% to 14% and the bonds mature serially through May 15, 2031. The balance at June 30, 1990 is $1,890,010,000.

Substantially all bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at rates ranging from 100% to 103% of outstanding principal amount.

Subsequent to June 30, 1990, the Administration issued $92,857,000 of revenue bonds.

Maryland Water Quality Financing Administration (Administration):

Revenue Bonds:

In March, 1990 the Administration, an agency of the Department of Environment, issued revenue bonds to provide funds for making loans. The balance at June 30, 1990 is $26,554,000. Interest rates range from 6.0% to 6.85% with $16,454,000 due serially from September 1, 1991 to September 1, 2005 and $10,100,000 due September 1, 2011. The bonds are payable solely from the revenue, money or property of the Administration pledged therefor.

The bonds are subject to redemption provisions at the option of the Administration. Redemptions are permitted at premiums ranging up to 2 1/2% of outstanding principal amount.

Maryland Food Center Authority (Authority):

Loans from Other Funds:

In 1970 the Board of Public Works loaned to the Authority $4,000,000, which was obtained from the issuance of general obligation bonds of the State. The Authority is obligated to pay interest and principal on these bonds after all principal and interest has been repaid on any revenue bonds which may be issued by the Authority.

In 1969 the State issued bonds to provide $5,000,000 for a construction loan to the Authority. Repayment to the Board of Public Works will consist of principal and interest payments which began in 1984 and will conclude in 1996.

Total principal due to the State is summarized as follows (amounts expressed in thousands):

Greater Baltimore Regional Consolidated Wholesale Food Market Loan of 1967	$5,577
General Construction Loan	3,098
Debt assumed from New Marsh Wholesale Produce Market	795
	$9,470

Revenue Bonds:

On July 27, 1988, the Board of Public Works, with the approval of the Authority's Board of Directors, gave its approval for the purchase of the Maryland Wholesale Seafood Market. On July 28, 1988, the agreement of sale was executed and the transaction completed. The Authority has assumed the existing debt of the seller, a revenue bond bearing interest at the annual rate of 10 5/8% per annum, maturing December 15, 2013, and due in semiannual installments of $278,000 each. The balance at June 30, 1990, is $4,775,000.

Maryland Transportation Authority (Authority):

Revenue Bonds:

The Authority has issued Transportation Facilities Projects Revenue Bonds, Series 1985 (Refunding) and Series 1989, which are payable solely from the revenues of the transportation facilities projects. Bonds outstanding as of June 30, 1990, consisted of (amounts expressed in thousands):

Revenue bonds, series 1985, maturing in annual installments from $2,150 to $4,540 from July 1, 1990, through July 1, 2000 with interest rates ranging from 6.75% to 8.65%, payable semiannaully	$ 34,820
Term bonds with interest at 8.8%, payable semiannually, due July 1, 2005	29,390
Term bonds with interest at 9%, payable semiannually, due July 1, 2015	114,195
Term bonds with interest at 7%, payable semiannually, due July 1, 2016	17,795
Revenue bonds, series 1989, maturing in annual installments from $17,110 to $19,585 from July 1, 1992 to July 1, 1994, inclusive, with interest notes ranging from 6.1% to 6.3%, payable semiannually	55,000
	$251,200

The series 1985 revenue bonds maturing after July 1, 1995 are subject to redemption, at the Authority's option, beginning July 1, 1995. The redemption prices range, as a percentage of the principal amount, from 100% to 102%. The bonds maturing July 1, 2016 are subject to redemption, at the Authority's option, beginning July 1, 1995 at a redemption price of 100%. A portion of the bonds maturing on July 1, 2005, $22,480,000, is subject to redemption beginning in 2001. A portion of the bonds maturing July 1, 2015, $97,870,000, is subject to redemption beginning in 2006. The principal amortization requirements range from $4,930,000 to $14,975,000 per year. The series 1989 revenue bonds are not subject to redemption prior to their maturity.

In compliance with the Trust Agreement dated December 1, 1985 underlying the Transportation Facilities Projects Revenue Bonds, Series 1985, the Authority has established restricted accounts for the payments of debt service related to the revenue bonds, major maintenance, project requirements and improvements, betterments, enlargements or capital additions. Assets consisting of cash and short-term investments, $71,724,000; and investments, $32,186,000; less current accounts payable, $19,307,000 have been restricted for such purposes.

At June 30, 1990, $110,275,000 of revenue bonds are considered defeased.

In August 1981 the Authority entered into an agreement with the City of Baltimore to finance the non-Federal share (approximately $78,000,000 plus related interest of approximately $31,000,000), associated with the construction of the Fort McHenry Tunnel. The Authority placed approximately $96,000,000 from the 1985 bond issuance into an escrow account to cover these costs and expects to recover its costs through future net toll revenues of the tunnel.

Maryland Environmental Service (Service):

Revenue Bonds:

The Service has issued revenue bonds for the construction of certain projects. The balance at June 30, 1990 is $13,510,000. Series 1985 bonds bear interest at 57% of prime, not to exceed 10.5%, and series 1990 bonds bear interest at rates ranging from 5.9% to 6.9%. The bonds are collateralized by the assets and revenues of the projects and any other revenues of the Service that are not otherwise pledged. All rights, title and interest in the related property, plant and equipment remains with the Service until expiration or completion of the project and repayment of the revenue bonds. Thereafter, title to the assets passes to the governmental unit served by the projects.

State Use Industries:

Loans From Other Funds:

In July 1982 the General fund loaned State Use Industries $2,000,000. The loan bears no interest and is repayable as operational earnings permit with no time limit. The fiscal year 1990 and 1989 budget laws contained provisions whereby $500,000 of the loan would become null and void each year if State Use Industries increased inmate employment by a certain level. This was accomplished, and accordingly, the loan was reduced each year by $500,000. The balance at June 30, 1990 is $945,000.

Maryland Stadium Authority (Authority):

Notes Payable:

In May, 1989 the Authority issued lease revenue notes to finance the acquisition of property for the construction of the Stadium. The principal amount at June 30, 1990 is $17,450,000, with interest payable semiannually at rates varying from 9.65% to 10% per annum. The notes mature serially in varying amounts through 2019. A portion of the notes, aggregating $19,115,000, which matures December 15, 1990, have monies irrevocably deposited with a trustee in order to pay the principal and any related interest, and therefore, is considered defeased.

Revenue Bonds:

In November, 1989 the Authority issued lease revenue bonds to finance the construction of the Stadium and to refinance, in part, the costs of acquiring and preparing the property at the Stadium site. The principal amount at June 30, 1990 is $137,550,000, with interest payable semiannually at rates varying from 6.3% to 7.6% per annum. The bonds mature serially in varying amounts through 2019.

Maturities of enterprise funds notes payable and revenue bond principal are as follows (amounts expressed in thousands):

Years Ending June 30,	Community Development Administration	Maryland Water Quality Financing Administration	Maryland Food Center Authority	Maryland Transportation Authority	Maryland Environmental Service	Maryland Stadium Authority
1991	$ 47,410		$ 50	$ 2,150	$ 1,050	
1992	34,616	$ 380	57	2,290	1,285	
1993	37,019	1,615	62	19,565	1,321	$ 1,705
1994	39,343	1,140	68	20,940	1,128	1,825
1995	42,202	1,355	76	22,410	951	1,950
1996 and thereafter	1,689,420	22,664	4,462	183,845	7,775	149,520
	$1,890,010	$26,554	$4,775	$251,200	$13,510	$155,000

C. Higher Education Fund:

Long-Term Debt:

Certain State higher education institutions have issued revenue bonds and mortgage loans payable for the acquisition and construction of student housing and other facilities. Student fees and other user revenues collateralize the revenue bonds. The mortgage loans payable are collateralized by real estate. Interest rates range from 3.5% to 7.15% on the revenue bonds and the rate is 3% on the mortgage loans payable. During fiscal year 1989, the University of Maryland System entered into an installment purchase agreement under which the lender has provided the funds for the acquisition of up to $30,000,000 of equipment. Amounts used to purchase equipment are scheduled for monthly repayment over terms of 5 to 15 years, depending on the equipment purchased. Unused funds are required to be repaid on January 31, 1992. Both the unused funds and amounts utilized bear interest at the rate of 6.85% per annum. Payments of interest only are required for the funds advanced for which equipment has not been delivered. As of June 30, 1990, unused funds advanced and equipment acquired under the agreement amounted to $29,786,000 and $214,000, respectively. Maturities of principal are as follows (amounts expressed in thousands):

Years Ending June 30,	Advances under Installment Purchases	Revenue Bonds	Mortgages	Total
1991		$ 6,740	$ 664	$ 7,404
1992	$29,786	8,035	689	38,510
1993		8,550	718	9,268
1994		9,115	660	9,775
1995		9,715	634	10,349
1996 and thereafter		168,854	5,991	174,845
	$29,786	$211,009	$9,356	$250,151

The bonds issued are the debt and obligation of the issuing higher education institution and are not a debt and obligation of, or pledge of, the faith and credit of the State.

Obligations Under Capital Leases:

Obligations under capital leases of $44,131,000 exist as of June 30, 1990, bearing interest at annual rates ranging from 3.9% to 18%. The following is a schedule of annual future minimum payments under these obligations, along with the present value of the related net minimum payments as of June 30, 1990 (amounts expressed in thousands):

Years Ending June 30,	Amount
1991	$ 9,713
1992	8,589
1993	7,200
1994	5,908
1995	5,051
1996 and thereafter	80,861
Total future minimum payments	117,322
Less amount representing interest	73,191
Present value of net minimum lease payments	$ 44,131

13. Contributed Capital:

The changes in contributed capital of the enterprise funds for the year ended June 30, 1990, are as follows (amounts expressed in thousands):

	Economic Development		Maryland Transportation Authority	Maryland Environmental Service	State Use Industries	Total
	Insurance Programs	Loan Programs				
Balance, July 1, 1989	$69,545	$171,576	$763,785	$11,794	$385	$1,017,085
Contributions	1,000	12,049		291	392	13,732
Depreciation on contributed assets				(1,306)	(7)	(1,313)
Balance, June 30, 1990	$70,545	$183,625	$763,785	$10,779	$770	$1,029,504

14. Segment Information—Enterprise Funds:

Activity segments included in enterprise funds are described in Note 1B. Selected financial information with respect to these segments as of and for the year ended June 30, 1990, is as follows (amounts expressed in thousands):

	Segments									
	Insurance Programs	Loan Programs	Warehouse Development and Rentals	Toll Facilities (Maryland Transportation Authority)	Lottery	Water Supply Waste Disposal	Manufacturing	Student Loan Insurance Program	Savings and Loan Deposit Insurance	Stadium Authority
Operating revenues	$ 17,130	$ 193,529	$ 4,827	$ 118,484	$ 811,477	$21,178	$16,772	$ 14,110	$ 33,902	$ 1,063
Depreciation and amortization	50	1,414	427	458	890	1,718	429	20		40
Operating income (loss)	5,295	966	1,374	43,037	336,546	(802)	(223)	(33,555)	78,073	(69)
Operating grants		20,612	393				19	22,712		
Operating interfund transfers:										
In									140,389	24,040
Out					(335,294)				(42,000)	
Net income (loss)	5,295	21,578	1,594	35,467	1,252	(626)	296	(10,843)	176,462	25,757
Current capital contributions	1,000	12,049				291	392			
Property, plant, and equipment:										
Additions	1	124	299	54,231	702	2,204	1,058			31
Deletions		318	860				15			
Total assets	165,644	2,350,601	27,150	1,984,349	277,715	36,709	14,042	22,420	393,015	217,920
Bonds and other long-term liabilities:										
Payable from operating revenues		1,916,564	4,775	251,200		13,510				155,000
Total capital	144,893	351,854	12,014	1,708,279	5,467	12,612	11,239	6,661	2,979	60,147

15. State of Maryland Deposit Insurance Fund Corporation:

During 1985, several State-chartered savings and loan associations, whose deposits were insured by the Maryland Savings-Share Insurance Corporation (MSSIC), experienced unusually heavy withdrawals of funds by depositors which caused a substantial decline in their liquid assets. As a result, MSSIC was appointed by the Circuit Court of Baltimore City to act as conservator for two of the associations. On May 17, 1985, the Maryland General Assembly enacted legislation creating the State of Maryland Deposit Insurance Fund Corporation (MDIFC), an agency of the State of Maryland Department of Licensing and Regulation and the successor by statutory merger to MSSIC. On May 18, 1985, all savings and loan associations that were members of MSSIC automatically became members of MDIFC.

The savings accounts of all associations operating in the State were to be insured by either MDIFC or the Federal Savings and Loan Insurance Corporation (FSLIC). MDIFC assumed the insurance liabilities of MSSIC with respect to deposits made prior to May 18, 1985, and insures amounts deposited after that date up to $100,000 per depositor. The legislation establishing MDIFC provides that: "It is the policy of this State that funds will be appropriated to the (Maryland Deposit Insurance) Fund to the extent necessary to protect holders of savings accounts in member associations." The enabling legislation also established July 1, 1989, as the date by which all member associations were to obtain alternative insurance or liquidate.

As of June 30, 1990, of the 103 associations initially insured by MDIFC, 97 have received federal insurance, have been acquired by a federally insured institution, have converted to a mortgage company or a credit union, or have voluntarily liquidated. Six institutions are currently in receivership: Old Court Savings and Loan, Inc. ("Old Court"), First Maryland Savings and Loan, Inc. ("First Maryland"), Community Savings and Loan, Inc. ("Community"), Universal Savings and Loan, Inc. ("Universal"), Ridgeway Savings & Loan Association, Inc. ("Ridgeway"), and Arrow Savings and Loan Association ("Arrow"). All of the insured accounts of Community have been acquired by Mellon Bank Corporation ("Mellon"); the insured accounts of Arrow have been acquired by the First National Bank of Maryland; the insured deposits of Ridgeway have been acquired by Concord Savings Bank; and the insured deposits of Universal have been acquired by Washington Bank Corporation.

Emergency legislation also gave authority to the Maryland Board of Public Works to issue for the benefit of MDIFC general obligation bonds of the State not to exceed the aggregate principal amount of $100,000,000. Legislation was enacted, effective June 1, 1990, that cancelled the $100,000,000 authorization. In connection with the assumption of the insured deposit liabilities of Community by Mellon, the State issued a bond anticipation note in the principal amount of $46,700,000 to MDIFC; this note was pledged by MDIFC to Mellon to secure certain payments and guarantees. On May 6, 1990, the obligations of MDIFC secured by the note were discharged from resources available within the Community estate, and the note was canceled. As assistance to certain MDIFC-insured institutions requiring additional capital to obtain federal insurance, the State exchanged bond anticipation notes for special capital instruments issued by the institutions. Notes totalling $27,200,000 were issued to provide assistance to eight institutions. Six institutions have redeemed their special capital instruments and returned their notes and two notes aggregating $3,000,000 were paid by the State at their maturity.

As of December 31, 1989, depositors of all insured accounts at the associations in receivership were paid in full. Through June 1989, MDIFC had made initial payments, from funds appropriated to it by the State and other sources, to Old Court and First Maryland depositors in the amounts of approximately $111,000,000 and $69,600,000 (of which $11,000,000 was subsequently recovered), respectively; distributions have also been made to those depositors from funds realized through the sale of assets in the receivership estates. In November 1989, MDIFC made final deposit insurance payments to Old Court and First Maryland depositors of approximately $154,700,000 and $16,900,000, respectively.

As successor to MSSIC, MDIFC assumed approximately $189,000,000 in assets of MSSIC. In addition, the State has made available to MDIFC approximately $396,000,000 ($55,000,000 from direct general fund appropriations, $241,000,000 from general fund appropriations to the State Reserve Fund designated for the use of MDIFC, and a $100,000,000 transfer from the Transportation Trust Fund). To date, MDIFC has expended approximately $576,000,000 to facilitate the acquisition of certain savings and loan associations by other financial institutions, to fund payments to depositors of associations in receivership, to settle Internal Revenue Service tax claims, and to settle litigation. In addition, MDIFC has recovered $68,000,000 from depositor distributions and the general fund has received $45,000,000 in recoveries from litigation and the $71,200,000 balance remaining in the Dedicated Purpose Account of the State Reserve Fund was not required and therefore reverted June 1, 1990.

Additionally, MDIFC and MSSIC are parties to numerous lawsuits and, in the opinion of the Attorney General of the State of Maryland and MDIFC's management, the outcome of this litigation cannot presently be determined. Furthermore, there may be additional future litigation involving MDIFC.

Management believes that the allowance for estimated insurance losses remaining at June 30, 1990, of $350,000,000, will be sufficient to provide for MDIFC's ultimate liability after liquidation of the remaining assets of the six institutions in receivership, after adjudication of the numerous lawsuits and upon completion of MDIFC's operations. However, the ultimate outcome of the liquidation of assets and the litigation is uncertain at this time.

A condensed balance sheet of MDIFC as of June 30, 1990 is as follows (amounts expressed in thousands):

Assets:	
Cash and investments	$ 32,094
Loans and notes receivable	9,027
Deposits at Old Court Savings and Loan, First Maryland Savings and Loan and three other associations	351,581
Other assets	313
	$ 393,015
Liabilities:	
Estimated loss on insured savings deposits	$ 350,000
Due to the general fund	39,000
Other liabilities	1,036
	390,036
Capital:	
Capital deposits by members	144,224
Deficit	(141,245)
	2,979
	$ 393,015

16. Retirement and Pension System:

The State of Maryland contributes to the Maryland State Retirement and Pension Systems (System), an agent multiple-employer public employee retirement system established by the State of Maryland to provide pension benefits for State employees and employees of 102 participating municipal corporations within the State. Additionally, the System provides benefits for the University of Maryland Medical System (a private, nonprofit, nonstock corporation), the Maryland Automobile Insurance Fund and the State Accident Fund (none of which are in the State's reporting entity). The System is considered part of the State of Maryland's financial reporting entity and is included in the State's financial statements as a Pension Trust Fund. For the year ended June 30, 1990, the State's covered payroll was $4,682,550,000, which represents the State's total employer payroll.

Plan Description:

The System which is administered in accordance with Article 73B of the Annotated Code of Maryland consists of the following systems which are managed by the Board of Trustees for the System. All retirement and pension systems discussed herein are included in the System. All State employees and employees of the participating municipalities are covered by the systems.

"Retirement Systems"—retirement programs for substantially all State employees, teachers, State police and judges who are not members of the State Pension System.

"Pension Systems"—retirement programs for employees and teachers hired after January 1, 1980, and prior employees who have elected to transfer from the Retirement Systems.

At June 30, 1990, membership in the System consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them:	
Retirement Systems	51,342
Pension Systems	22,718
Current employees:	
Vested:	
Retirement Systems	47,259
Pension Systems	59,923
Nonvested:	
Retirement Systems	2,538
Pension Systems	53,314
Total members	237,094

The System provides retirement, death and disability benefits in accordance with State statutes. Vesting begins after completing 5 years of creditable service. A member terminating employment before attaining retirement age but after completing 5 years of creditable service, becomes eligible for a vested retirement allowance provided the member lives to age 60 (age 62 for the Pension Systems, age 50 for State Police) and does not withdraw his or her accumulated contributions. Members of the Retirement System may retire with full benefits after attaining the age of 60, or after completing 30 years of creditable service regardless of age. A member of the Pension Systems may retire with full benefits after completing 30 years of eligibility service regardless of age, or at age 62 or older with specified years of eligibility service. State Police members may retire with full benefits after attaining age 50, or after completing 25 years of creditable service regardless of age.

The annual benefit for Retirement System members is equal to 1/55 of a member's high-three year average salary times years of creditable service. A member may retire with reduced benefits after completing 25 years of creditable service regardless of age. A member of the Pension System shall receive upon retirement an annual service retirement allowance based on the member's high-three consecutive year average salary and years of creditable service with a provision for additional benefits for compensation earned in excess of the social security wage base. A member may retire with reduced benefits after attaining age 55 and completing 15 years of eligibility service. The annual retirement allowance for a State Police member is equal to 1/45 of a member's high-three year average salary times the member's first 25 years of creditable service, plus 1/90 of the average final compensation times the member's creditable years in excess of 25 years.

Members of the Employees' and Teachers' Retirement Systems are required to contribute to the System a fixed percentage of their regular salaries and wages (e.g. 7%). Members of the Pension Systems are required to contribute to the System 5% of their regular salaries and wages which exceed the social security wage base. State Police members are required to contribute 8% of their regular salaries and wages to the System. All contributions are deducted from each member's salary and wage payments and are remitted to the System on a regular, periodic basis.

The State of Maryland, the University of Maryland Medical System, the Maryland Automobile Insurance Fund, the State Accident Fund and the participating municipal corporations make all of the employer contributions to the System. In addition, the State of Maryland, which is a non-employer contributor to the Teachers' Retirement and Pension Systems, makes virtually all of the non-employee contributions to the Teachers' Systems. All contributions to the System are made in amounts required by State statutes.

No investment of the System in any one organization represented 5% or more of the net assets available for pension benefits. There were no investments in, loans to, or leases with parties related to the System.

Funding Status and Progress:

The amount shown as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the Systems' funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the System as described below.

The fiscal year 1990 pension benefit obligation was determined as a part of an actuarial valuation at June 30, 1990. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, (b) projected salary increases from 5 percent to 6 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases ranging from .94 percent to 6.82 percent per year, attributable to seniority/merit, and (d) post-retirement benefit increases ranging from 3 percent to 6 percent per year depending on the system.

At June 30, 1990, the unfunded pension benefit obligation (i.e., pension obligation less net assets available for benefits) of the System was as follows (amounts expressed in thousands):

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 6,801,799
Current employees:	
Accumulated employee contributions including allocated investment income	1,385,195
Employer—financed vested	8,317,128
Employer—financed nonvested	168,232
Total pension benefit obligation	16,672,354
Net assets available for benefits, at cost (market value is $11,577,031)	10,251,637
Unfunded pension benefit obligation	$ 6,420,717

There were no changes in actuarial assumptions or benefit provisions which significantly affected the valuation of the pension benefit obligation during fiscal year 1990.

Contributions Required and Made:

The State's retirement contributions are appropriated annually, based upon actuarial valuations. In this regard, the System has engaged an independent firm of consulting actuaries to prepare annual actuarial valuations and perform various actuarial consulting services. Effective July 1, 1980, in accordance with the law governing the Systems, all benefits of the System are funded in advance. The entry age normal cost method is the actuarial cost method used to determine the employers' normal and accrued liability contribution rates and the unfunded actuarial accrued liability. Using this method the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.

Employer contributions to the System totalling $593,004,000 (12.7% of covered payroll) for fiscal year 1990 were made in accordance with actuarially determined contribution requirements based on an actuarial valuation performed as of June 30, 1988. This amount consisted of $325,236,000 normal cost and $267,768,000 amortization of the unfunded actuarial accrued liability. Employee contributions to the System for fiscal year 1990 were $112,621,000 (2.4% of covered payroll).

The liquidation period for the unfunded actuarial accrued liabilities (as provided by law) is 30 years from June 30, 1990. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation.

The computation of the pension contribution requirements for fiscal year 1990 was based on the same actuarial assumptions, benefit provisions, actuarial funding method, and other significant factors used to determine pension contribution requirements in the previous year.

Retirement expenditures applicable to governmental fund types for the year ended June 30, 1990, aggregated approximately $494,020,000. The excess of retirement expenditures over retirement costs of approximately $34,962,000 is included in the general long-term debt account group.

Three-Year Historical Trend Information for the System (amounts expressed in thousands):

Fiscal Year	(1) Net Assets Available for Benefits at Cost	(2) Pension Benefit Obligation	(3) Percentage Funded (1)÷(2)	(4) Unfunded Pension Benefit Obligation (2)−(1)	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll (4)÷(5)	(7) Employer Contributions	(8) Employer Contributions as a Percentage of Covered Payrolls (7)÷(5)
1988	$ 8,119,720	$14,142,577	57.4%	$6,022,857	$3,916,851	153.8%	$576,766	14.7%
1989	9,090,704	15,400,391	59.0	6,309,687	4,284,572	147.3	599,586	14.0
1990	10,251,637	16,672,354	61.5	6,420,717	4,682,550	137.1	593,004	12.7

Ten-year historical trend information is available in a separate financial report issued by the System. This report presents information about progress made in accumulating sufficient assets to pay benefits when due.

For asset and investment management purposes, the State combined the assets of all State administered retirement and pension systems into a pooled trust fund. Accordingly, the financial statements for the State administered pension fund are presented on a combined basis in the fiduciary fund type financial statements. Individual retirement systems' equity in the pension fund balance, as of June 30, 1990, is as follows (amounts expressed in thousands):

	Fund Balance(a)	
	Employee Annuity Savings(b)	Retirement Accumulation Fund(c)
Employees' Retirement System	$ 463,580	$2,410,221
Teachers' Retirement System	906,791	4,081,576
Employees' Pension System	6,529	1,269,832
Teachers' Pension System	8,295	1,104,813
Total	$1,385,195	$8,866,442

Changes in the pension fund balance for the year ended June 30, 1990, were as follows (amounts expressed in thousands):

	Fund Balance(a)	
	Employee Annuity Savings(b)	Retirement Accumulation Fund(c)
Balance, July 1, 1989	$1,320,556	$7,770,148
Increases:		
Member contributions	112,621	
Employer contributions		593,004
Investment and other income		1,137,825
Decreases:		
Benefit payments		(543,109)
Refunds	(125,100)	
Administrative expenses		(14,308)
Transfers to the Employee Annuity Savings Fund for interest credited to members' accounts	149,945	(149,945)
Transfers to the Retirement Accumulation Fund for contributions of retiring members	(72,827)	72,827
Balance, June 30, 1990	$1,385,195	$8,866,442

(a) The consulting actuary annually determines the changes in fund balances resulting from transfers of employees from the Employees' and Teachers' Retirement Systems to the Employees' and Teachers' Pension Systems and allocations of investment income.

(b) Contributions made by members together with interest thereon are credited to the Employee Annuity Savings Fund.

(c) Contributions made by the employer and investment income thereon are credited to the Retirement Accumulation Fund.

17. Deferred Compensation Plan:

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of general creditor of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the government's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The government believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

18. Commitments:

The State leases office space under various agreements that are accounted for as operating leases. Many of the agreements contain rent escalation clauses and renewal options. Rent expenditures for fiscal year 1990 were approximately $26,573,000. Future lease expense commitments under these agreements at June 30, 1990 are as follows (amounts expressed in thousands):

Years Ending June 30,	Amounts
1991	$ 43,663
1992	38,048
1993	28,692
1994	22,691
1995	15,610
1996 and thereafter	9,767
	$158,471

At June 30, 1990, the Department of Transportation and Maryland Transportation Authority had commitments of approximately $899,991,000 and $39,000,000, respectively, for construction of highway and mass transit facilities. Approximately 41% of future expenditures related to the Department of Transportation commitments are expected to be reimbursed from proceeds of approved federal grants when the actual costs are incurred. The remaining portion will be funded by other financial resources of the Department.

The Department of Transportation, as lessor, leases terminal space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rental revenues are as follows (amounts expressed in thousands):

Years Ending June 30,	Noncancellable Operating Leases Minimum Future Rentals
1991	$ 34,721
1992	28,109
1993	20,647
1994	17,885
1995	17,241
1996 and thereafter	41,749
	$160,352

Total minimum future rental revenues do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated minimums. Rent revenue was approximately $57,358,000 for the year ended June 30, 1990, including contingent rentals of approximately $19,327,000. Assets of the Department of Transportation subject to such operating lease agreements are included in the general fixed assets account group. The cost of these assets was approximately $363,353,000 at June 30, 1990.

At June 30, 1990, the Maryland State Lottery Agency had commitments of approximately $9,558,000 for services to be rendered relating principally to the operation of the lottery game.

At June 30, 1990, the Maryland Stadium Authority had commitments of approximately $1,000,000 for property acquisitions.

At June 30, 1990, the Higher Education Fund had commitments of approximately $122,043,000 for the completion of projects under construction.

19. Contingencies:

The State is party to legal proceedings, which normally occur in governmental operations. Other than the litigation discussed in Note 15, the legal proceedings are not, in the opinion of the Attorney General, likely to have a material, adverse impact on the financial position of the affected funds.

As of June 30, 1990, mortgage loan insurance programs included in the enterprise funds were contingently liable as insurer of mortgage loans payable, or portions of mortgage loans payable, in an aggregate amount of approximately $528,827,000 (including $457,761,000 for the economic development loan programs). In addition, there are commitments to insure mortgage loans which would represent additional contingent liabilities of approximately $67,294,000.

The Maryland Higher Education Loan Corporation (Corporation), as endorser of student loans, is contingently liable to lending institutions for purchase of student loans in default. In the event of such default, the Corporation is liable to the lending institution for the unpaid principal amount of the loan plus unpaid interest, including interest accrued from the date of default until the date of purchase by the Corporation. At June 30, 1990, the Corporation has endorsed loans outstanding of approximately $855,000,000. These loans are covered by a federal reinsurance agreement with the U.S. Department of Education. The agreement provides for repurchase by the U.S. Department of Education of 100% of the amount of loans which default; however, if the default rate exceeds 5% of the loans in repayment status as of September 30 of the preceding year, the reinsurance rate is 90%, and for all defaults in excess of 9% the reinsurance rate is 80%.

The State receives significant financial assistance from the U.S. Government. Entitlement to the resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund which received the grant. As of June 30, 1990, the State estimates that no material liabilities will result from such audits.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

The other important tenant in the Annapolis Data Center besides the comptroller's Data Processing Division is the Central Payroll Bureau where teams of employees like Eleanor Moen and Lisa Gee process payrolls for 95,000 state employees while managing over one million deductions every day. The payroll function was among the first computerized under Comptroller Goldstein's leadership.

Van Jones of the Annapolis Data Center shows Comptroller Goldstein how state checks and other documents are printed. Payroll checks, refund checks and vendor payments represent billions of dollars in economic impact flowing through the state Comptroller's Office.

STATE OF MARYLAND

Combining Balance Sheet

Debt Service Funds

June 30, 1990

(Expressed in Thousands)

	General Obligation Bonds	Transportation Bonds	Total
Assets:			
Cash and short-term investments	$16,240	$ 889	$ 17,129
Investments		89,283	89,283
Taxes receivable	3,098		3,098
Other accounts receivable		1,956	1,956
Due from other funds		1,403	1,403
Loans and notes receivable, net	57,158		57,158
Loans to other funds	9,470		9,470
Total assets	$85,966	$93,531	$179,497
Liabilities:			
Deferred revenue	$ 2,387		$ 2,387
Matured bonds and interest coupons payable	4,407		4,407
Total liabilities	6,794		6,794
Fund balance:			
Reserved for:			
Loans and notes receivable	53,730		53,730
Loans to other funds	9,470		9,470
Unreserved:			
Designated for:			
General long-term obligation bond debt service	15,972		15,972
Transportation bond debt service		$93,531	93,531
Total fund balances	79,172	93,531	172,703
Total liabilities and fund balances	$85,966	$93,531	$179,497

STATE OF MARYLAND

Combining Statement of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Fund Balances

Debt Service Funds

for the year ended June 30, 1990

(Expressed in Thousands)

	General Obligation Bonds	Transportation Bonds	Total
Revenues:			
Other taxes	$ 162,111		$ 162,111
Interest and other investment income	3,721	$ 7,648	11,369
Other	1,842		1,842
Total revenues	167,674	7,648	175,322
Expenditures:			
Debt service:			
Principal retirement	252,681	31,535	284,216
Interest	142,437	40,544	182,981
Total expenditures	395,118	72,079	467,197
Deficiency of revenues over expenditures	(227,444)	(64,431)	(291,875)
Other sources (uses) of financial resources:			
Operating transfers in	222,655	70,521	293,176
Operating transfers out	(1,940)	(4,859)	(6,799)
Net other sources of financial resources	220,715	65,662	286,377
Excess (deficiency) of revenues over expenditures and other sources (uses) of financial resources	(6,729)	1,231	(5,498)
Fund balances, July 1, 1989	85,901	92,300	178,201
Fund balances, June 30, 1990	$ 79,172	$ 93,531	$ 172,703

STATE OF MARYLAND

Combining Balance Sheet

Enterprise Funds

June 30, 1990

(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery Agency	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Maryland Deposit Insurance Fund Corporation	Maryland Stadium Authority	Total
	Insurance Programs	Loan Programs									
Assets:											
Cash and short-term investments	$ 97,647	$ 471,906	$ 7,861	$ 8,780	$ 33,029	$ 6,086	$ 4,587	$16,850	$ 25,201	$ 6,387	$ 678,334
Investments	58,541	229,848		2,941	234,873			985	6,893		534,081
Intergovernmental receivables			393			1,872		4,395			6,660
Other accounts receivable	2,915	23,098	204	1,190	8,628	3,393	1,564	145	313	3,247	44,697
Due from other funds		1,645									1,645
Inventories				431			4,733				5,164
Loans and notes receivable	3,354	1,584,247	254						9,027		1,596,882
Property, plant and equipment, net	130	394	18,438	1,859,630	1,120	12,592	3,131	45		149	1,895,629
Restricted assets				103,910		9,012				204,893	317,815
Deposits									351,581		351,581
Other assets	3,057	39,463		7,467	65	3,754	27			3,244	57,077
Total assets	$165,644	$2,350,601	$27,150	$1,984,349	$277,715	$36,709	$14,042	$22,420	$ 393,015	$217,920	$5,489,565
Liabilities:											
Accounts payable and accrued liabilities	$ 770	$ 36,432	$ 634	$ 4,278	$ 2,706	$ 9,265	$ 891	$ 67	$ 431	$ 2,699	$ 58,173
Due to other funds	1,645				20,963				39,000		61,608
Lottery prizes					245,139						245,139
Accrued insurance and loan losses	15,447	602						700	350,000		366,749
Other liabilities	692	43,974						3,285		9	47,960
Deferred revenue	2,197	258	81	1,285	3,440			11,707	417		19,385
Loans from other funds			9,470				945				10,415
Notes payable										17,450	17,450
Liabilities payable from restricted assets				19,307							19,307
Revenue bonds payable		1,916,564	4,775	251,200		13,510				137,550	2,323,599
Accrued retirement costs		842	132			928	822		180	64	2,968
Accrued workers' compensation costs		75	44			394	145		8	1	667
Total liabilities	20,751	1,998,747	15,136	276,070	272,248	24,097	2,803	15,759	390,036	157,773	3,173,420
Capital:											
Contributed capital	70,545	183,625		763,785		10,779	770				1,029,504
Capital deposits by members									144,224		144,224
Retained earnings:											
Reserved					4,258	1,491					5,749
Unreserved (deficit)	74,348	168,229	12,014	944,494	1,209	342	10,469	6,661	(141,245)	60,147	1,136,668
Total capital	144,893	351,854	12,014	1,708,279	5,467	12,612	11,239	6,661	2,979	60,147	2,316,145
Total liabilities and capital	$165,644	$2,350,601	$27,150	$1,984,349	$277,715	$36,709	$14,042	$22,420	$ 393,015	$217,920	$5,489,565

STATE OF MARYLAND

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Enterprise Funds

for the year ended June 30, 1990

(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery Agency	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Maryland Deposit Insurance Fund Corporation	Maryland Stadium Authority	Total
	Insurance Programs	Loan Programs									
Operating revenues:											
Lottery ticket sales					$ 811,477						$ 811,477
Charges for services and sales	$ 5,893	$ 847	$ 4,816	$118,484		$21,178	$16,772	$ 2,384			170,374
Interest and other investment income	11,190	188,317						1,522	$ 2,801		203,830
Other	47	4,365	11					10,204	31,101	$ 1,063	46,791
Total operating revenues	17,130	193,529	4,827	118,484	811,477	21,178	16,772	14,110	33,902	1,063	1,232,472
Operating expenses:											
Prizes and claims					406,348						406,348
Commissions and bonuses					41,832						41,832
Cost of sales and services							12,597	39,710			52,307
Operation and maintenance of facilities		27,044		68,082		17,003					112,129
General and administrative	4,384	11,919	3,026	6,907	25,861	3,259	3,928	7,235	729	1,092	68,340
Interest		149,530									149,530
Depreciation and amortization	50	1,414	427	458	890	1,718	429	20		40	5,446
Provision for insurance and loan losses	7,401	357						700	(44,900)		(36,442)
Other		2,299					41				2,340
Total operating expenses	11,835	192,563	3,453	75,447	474,931	21,980	16,995	47,665	(44,171)	1,132	801,830
Operating income (loss)	5,295	966	1,374	43,037	336,546	(802)	(223)	(33,555)	78,073	(69)	430,642
Non-operating revenues (expenses):											
Investment income			510	9,112		271				1,786	11,679
Interest expense			(683)	(20,171)		(313)					(21,167)
Operating grants		20,612	393				19	22,712			43,736
Other				3,489		218	500				4,207
Operating income (loss) before transfers	5,295	21,578	1,594	35,467	336,546	(626)	296	(10,843)	78,073	1,717	469,097
Operating transfers in									140,389	24,040	164,429
Operating transfers out					(335,294)				(42,000)		(377,294)
Net income (loss)	5,295	21,578	1,594	35,467	1,252	(626)	296	(10,843)	176,462	25,757	256,232
Add: Depreciation of cost of assets acquired from contributed capital						1,306	7				1,313
Increase (decrease) in retained earnings	5,295	21,578	1,594	35,467	1,252	680	303	(10,843)	176,462	25,757	257,545
Retained earnings (deficit), July 1, 1989	69,053	146,651	10,420	909,027	4,215	1,153	10,166	17,504	(317,707)	34,390	884,872
Retained earnings (deficit), June 30, 1990	$74,348	$168,229	$12,014	$944,494	$ 5,467	$ 1,833	$10,469	$ 6,661	$(141,245)	$60,147	$1,142,417

STATE OF MARYLAND
Combining Statement of Cash Flows
Enterprise Funds
for the year ended June 30, 1990
(Expressed in Thousands)

	Economic Development		Maryland Food Center Authority	Maryland Transportation Authority	Maryland State Lottery Agency	Maryland Environmental Service	State Use Industries	Maryland Higher Education Loan Corporation	Maryland Deposit Insurance Fund Corporation	Maryland Stadium Authority	Total
	Insurance Programs	Loan Programs									
Cash flows from operating activities:											
Operating income (loss)	$ 5,295	$ 966	$1,374	$ 43,037	$ 336,546	$ (802)	$ (223)	$(33,555)	$ 78,073	$ (69)	$ 430,642
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:											
Depreciation and amortization	50	1,414	427	458	890	1,718	429	20		40	5,446
Changes in assets and liabilities:											
Decrease (increase) in assets:											
Intergovernmental receivable			(393)			(1,217)		10,118			8,508
Other accounts receivable	(835)	(1,274)	(162)	(39)	(4,032)	(1,029)	1,086	19	(76)	(2,332)	(8,674)
Due from other funds		(1,645)									(1,645)
Inventories				77			(757)				(680)
Loans and notes receivable	221	(146,828)	153						3,293		(143,161)
Other assets	(1,273)	(2,347)		283	44	(849)	(4)		45	(1,676)	(5,777)
Increase (decrease) in liabilities:											
Accounts payable and accrued liabilities	434	714	27	307	390	2,845	(137)	3	355	756	5,694
Due to other funds	1,645				(658)				39,000		39,987
Accrued insurance and loan losses	4,469	(82)						300	(45,700)		(41,013)
Other liabilities	483	10,280						1,653	(24)	9	12,401
Deferred revenue	178	(6,277)	12	487	(936)			(135)		(11)	(6,682)
Liabilities payable from restricted assets				(2,737)							(2,737)
Accrued retirement costs		842	132			928	822		180	64	2,968
Accrued workers' compensation costs		75	44			394	145		8	1	667
Other, net				(458)			40				(418)
Net cash provided by (used for) operating activities	10,667	(144,162)	1,614	41,415	332,244	1,988	1,401	(21,577)	75,154	(3,218)	295,526
Cash flows from noncapital financing activities:											
Increase in lottery prizes, net					39,428						39,428
Proceeds from sale of revenue bonds		318,204									318,204
Principal paid on revenue bonds		(84,493)									(84,493)
Operating grants received		20,612	393					22,712			43,717
Operating transfers, net					(335,294)				98,389	24,040	(212,865)
Net cash provided by (used for) noncapital financing activities		254,323	393		(295,866)			22,712	98,389	24,040	103,991
Cash flows from capital and related financing activities:											
Proceeds from sale of revenue bonds				55,000		9,510				137,550	202,060
Principal paid on notes payable and revenue bonds	(1,658)		(45)	(2,015)		(700)			(355)	(43,395)	(48,168)
Decrease in loans from other funds			(359)								(359)
Interest payments			(683)	(20,171)		(313)					(21,167)
Contributed capital	1,000	12,049				291					13,340
Acquisition and construction of property, plant and equipment	(1)	(124)	(299)	(54,231)	(702)	(2,204)	(1,058)			(31)	(58,650)
Proceeds from sale of property, plant and equipment		318	860				15				1,193
Increase in restricted assets				(30,764)		(7,217)				(124,201)	(162,182)
Net cash provided by (used for) capital and related financing activities	(659)	12,243	(526)	(52,181)	(702)	(633)	(1,043)		(355)	(30,077)	(73,933)
Cash flows from investing activities:											
Purchase of investments	(3,239)	(6,058,977)		(2,941)	(61,883)			(5)	(22,765)		(6,149,810)
Proceeds from maturity and sale of investments		6,025,807		6,014	23,868				21,978		6,077,667
Interest and gains on investments			510	9,112		271				1,786	11,679
Increase in deposits, net									(162,119)		(162,119)
Other, net				3,489		218					3,707
Net cash provided by (used in) investing activities	(3,239)	(33,170)	510	15,674	(38,015)	489		(5)	(162,906)	1,786	(218,876)
Net increase (decrease) in cash and short-term investments	6,769	89,234	1,991	4,908	(2,339)	1,844	358	1,130	10,282	(7,469)	106,708
Unrestricted cash and short-term investments balance, July 1, 1989	90,878	382,672	5,870	3,872	35,368	4,242	4,229	15,720	14,919	13,856	571,626
Unrestricted cash and short-term investments balance, June 30, 1990	$97,647	$ 471,906	$7,861	$ 8,780	$ 33,029	$ 6,086	$ 4,587	$ 16,850	$ 25,201	$ 6,387	$ 678,334

STATE OF MARYLAND

Combining Balance Sheet

Fiduciary Fund Types

June 30, 1990

(Expressed in Thousands)

			Agency Funds							
	Expendable Trust Fund	Pension Trust Fund	Patient and Prisoner Accounts	Deferred Compensation Plan	Refunded Transportation Debt	Local Highway Grants	Local Admissions and Amusement Taxes	Local Income Taxes	Payroll Taxes and Fringe Benefits	Total
Assets:										
Cash and short-term investments		$ 210,537	$4,901	$ 717			$6,998	$406,463	$39,637	$ 669,253
Investments		10,040,891		374,104	$417,312					10,832,307
Amount on deposit with U.S. Treasury	$575,173									575,173
Taxes receivable	51,957									51,957
Other accounts receivable		11,249		4,821	76,424					92,494
Due from other funds								100,717		100,717
Total assets	$627,130	$10,262,677	$4,901	$379,642	$493,736	$0	$6,998	$507,180	$39,637	$12,321,901
Liabilities:										
Accounts payable and accrued liabilities	$ 10,883	$ 11,040	$4,901	$ 13					$39,637	$ 66,474
Due to other funds					$ 114		$1,134			1,248
Accounts payable to political subdivisions and local income tax refunds							5,864	$507,180		513,044
Due to transportation bondholders					493,622					493,622
Deferred compensation benefits payable				379,629						379,629
Total liabilities	10,883	11,040	4,901	379,642	493,736		6,998	507,180	39,637	1,454,017
Fund balances:										
Reserved for:										
Pension benefits		10,251,637								10,251,637
Unemployment compensation benefits	616,247									616,247
Total fund balances	616,247	10,251,637								10,867,884
Total liabilities and fund balances	$627,130	$10,262,677	$4,901	$379,642	$493,736	$0	$6,998	$507,180	$39,637	$12,321,901

STATE OF MARYLAND

Combining Statement of Changes in Assets and Liabilities—All Agency Funds for the year ended June 30, 1990

(Expressed in Thousands)

	Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Patient and Prisoner Accounts				
Assets:				
Cash and short-term investments	$ 4,790	$ 14,040	$ 13,929	$ 4,901
Liabilities:				
Accounts payable and accrued liabilities	$ 4,790	$ 11,314	$ 11,203	$ 4,901
Deferred Compensation Plan				
Assets:				
Cash and short-term investments	$ 437	$ 2,403	$ 2,123	$ 717
Investments	329,101	60,296	15,293	374,104
Other accounts receivable	4,350	4,821	4,350	4,821
Total assets	$ 333,888	$ 67,520	$ 21,766	$ 379,642
Liabilities:				
Accounts payable and accrued liabilities	$ 7	$ 13	$ 7	$ 13
Deferred compensation benefits payable	333,881	63,164	17,416	379,629
Total liabilities	$ 333,888	$ 63,177	$ 17,423	$ 379,642
Refunded Transportation Debt				
Assets:				
Cash and short-term investments	$ 0	$ 34,619	$ 34,619	$ 0
Investments	423,451		6,139	417,312
Other accounts receivable	61,768	76,424	61,768	76,424
Total assets	$ 485,219	$ 111,043	$ 102,526	$ 493,736
Liabilities:				
Due to other funds	$ 117	$ 114	$ 117	$ 114
Due to transportation bondholders	485,102	43,137	34,617	493,622
Total liabilities	$ 485,219	$ 43,251	$ 34,734	$ 493,736
Local Highway Grants				
Assets:				
Cash and short-term investments	$ 0	$ 33,881	$ 33,881	$ 0
Liabilities:				
Accounts payable to political subdivisions	$ 0	$ 33,881	$ 33,881	$ 0
Local Admissions and Amusements Taxes				
Assets:				
Cash and short-term investments	$ 6,807	$ 26,647	$ 26,456	$ 6,998
Liabilities:				
Due to other funds	$ 1,262	$ 1,134	$ 1,262	$ 1,134
Accounts payable to political subdivisions	5,545	26,493	26,174	5,864
Total liabilities	$ 6,807	$ 27,627	$ 27,436	$ 6,998
Local Income Taxes				
Assets:				
Cash and short-term investments	$ 419,964	$1,414,792	$1,428,293	$ 406,463
Due from other funds	107,520	100,717	107,520	100,717
Total assets	$ 527,484	$1,515,509	$1,535,813	$ 507,180
Liabilities:				
Accounts payable to political subdivisions and local income tax refunds	$ 527,484	$1,409,514	$1,429,818	$ 507,180
Payroll Taxes and Fringe Benefits				
Assets:				
Cash and short-term investments	$ 0	$2,049,038	$2,009,401	$ 39,637
Investments	38		38	0
Due from other funds	8,817		8,817	0
Total assets	$ 8,855	$2,049,038	$2,018,256	$ 39,637
Liabilities:				
Accounts payable and accrued liabilities	$ 2,690	$2,046,309	$2,009,362	$ 39,637
Due to other funds	6,165		6,165	0
Total liabilities	$ 8,855	$2,046,309	$2,015,527	$ 39,637
Totals—All Agency Funds				
Assets:				
Cash and short-term investments	$ 431,998	$3,575,420	$3,548,702	$ 458,716
Investments	752,590	60,296	21,470	791,416
Other accounts receivable	66,118	81,245	66,118	81,245
Due from other funds	116,337	100,717	116,337	100,717
Total assets	$1,367,043	$3,817,678	$3,752,627	$1,432,094
Liabilities:				
Accounts payable and accrued liabilities	$ 7,487	$2,057,636	$2,020,572	$ 44,551
Due to other funds	7,544	1,248	7,544	1,248
Accounts payable to political subdivisions and local income tax refunds	533,029	1,469,888	1,489,873	513,044
Due to transportation bondholders	485,102	43,137	34,617	493,622
Deferred compensation benefits	333,881	63,164	17,416	379,629
Total liabilities	$1,367,043	$3,635,073	$3,570,022	$1,432,094

STATE OF MARYLAND

Schedule of Fixed Assets and Accumulated Depreciation

June 30, 1990

(Expressed in Thousands)

	Land and Improvements	Structure and Improvements	Equipment	Construction in Progress	Total Cost	Accumulated Depreciation	Total Cost Less Accumulated Depreciation
Proprietary Fund Type (By Fund):							
Economic Development—Insurance Programs			$ 245		$ 245	$ 115	$ 130
Economic Development—Loan Programs			471		471	77	394
Maryland Food Center Authority	$ 4,594	$ 16,071	910		21,575	3,137	18,438
Maryland Transportation Authority		1,859,630			1,859,630		1,859,630
Maryland State Lottery Agency			19,154		19,154	18,034	1,120
Maryland Environmental Service		20,999	7,016		28,015	15,423	12,592
State Use Industries			5,706		5,706	2,575	3,131
Maryland Higher Education Loan Corporation			216		216	171	45
Maryland Stadium Authority			227		227	78	149
Total	$ 4,594	$1,896,700	$ 33,945		$1,935,239	$39,610	$1,895,629
General Fixed Assets (By Function):							
General government	$ 44,323	$ 331,136	$ 94,820	$ 11,075	$ 481,354		$ 481,354
Education		17,426	11,268	355	29,049		29,049
Economic and employment development	357	5,355	11,228		16,940		16,940
Human resources			13,896		13,896		13,896
Health and mental hygiene	17,675	248,335	43,431	6,758	316,199		316,199
Environment			11,024		11,024		11,024
Transportation	318,685	1,283,774	550,654	332,764	2,485,877		2,485,877
Public safety and judicial	29,927	377,337	141,389	10,480	559,133		559,133
Housing and community development	2,475	9,169	2,630	847	15,121		15,121
Natural resources and recreation	261,103	49,657	34,542	18,128	363,430		363,430
Agriculture	66	14,719	7,869	11,682	34,336		34,336
Total	$674,611	$2,336,908	$922,751	$392,089	$4,326,359		$4,326,359
Higher Education	$ 55,195	$1,027,239	$501,921	$132,262	$1,716,617		$1,716,617

STATE OF MARYLAND

Schedule of Changes in General Fixed Assets by Function

for the year ended June 30, 1990

(Expressed in Thousands)

	Balance July 1, 1989	Additions	Deletions	Transfer In (Out)	Balance June 30, 1990
Function:					
General government	$ 447,029	$ 40,129	$ 5,132	$(672)	$ 481,354
Education	26,235	3,337	523		29,049
Economic and employment development	16,394	2,046	1,500		16,940
Human resources	12,460	2,188	736	(16)	13,896
Health and mental hygiene	307,222	9,996	1,008	(11)	316,199
Environment	6,404	4,950	330		11,024
Transportation	2,250,096	259,163	23,527	145	2,485,877
Public safety and judicial	478,376	87,486	7,098	369	559,133
Housing and community development	14,293	1,536	708		15,121
Natural resources and recreation	336,633	29,773	3,161	185	363,430
Agriculture	29,237	5,464	365		34,336
Total	$3,924,379	$446,068	$44,088	$ 0	$4,326,359

STATE OF MARYLAND

Schedule of Estimated and Actual Revenues By Source—Budgetary Basis

for the year ended June 30, 1990

(Expressed in Thousands)

	Annual Budgeted Funds												
							Higher Education Funds						
	General Fund		Special Fund		Federal Fund		Current Unrestricted Fund		Current Restricted Fund		Capital Projects Fund	Other Funds	Total
	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Estimated Revenues	Actual Revenues	Actual Revenues	Actual Revenues	Actual Revenues
Taxes:													
Property tax	$ 35,598	$ 30,938	$ 189,908	$ 206,586								$ 742	$ 238,266
Franchise and corporation tax	157,904	159,302	13,054	13,087								84	172,473
Death taxes	84,173	85,825											85,825
Recordation tax		146										788	934
Admission and amusement tax			1,206	1,134									1,134
Alcoholic beverages tax	17,150	16,644	9,038	9,809									26,453
Motor vehicle fuel taxes	10,136	9,961	454,838	437,460									447,421
Income taxes	3,012,484	2,977,113	131,586	121,954									3,099,067
Sales and use taxes	1,593,679	1,571,866											1,571,866
Cigarette tax	47,000	46,337	14,350	13,248									59,585
Other tobacco taxes		150	26	54									204
Motor vehicle titling taxes	1,380		354,000	324,785									324,785
Insurance company taxes	141,484	141,741											141,741
Horse racing taxes	2,061		2,421	3,022									3,022
Shellfish taxes			6,243	370									370
Boxing, wrestling or sparring taxes		244											244
Apple tax			23	10									10
Boat titling tax		225	23,848	15,007									15,232
Energy generation tax				5,637									5,637
Emergency telephone system tax				8,902									8,902
Unemployment insurance taxes												198,360	198,360
Total taxes	5,103,049	5,040,492	1,200,541	1,161,065								199,974	6,401,531
Other:													
Licenses and permits	47,819	40,531	192,877	174,228								35	214,794
Fees for services	30,588	34,715	106,442	126,517								132,112	293,344
Fines and costs	57,551	64,712	3,591	11,868								6,766	83,346
Sales to the public	2,907	2,872	32,933	37,251		$ 22						454,073	494,218
Commissions and royalties	8	82	51,142	22,278		1						3	22,364
Rentals	834	968	19,685	40,983		160						2,569	44,680
Interest on investments	78,949	95,423	21,113	27,858								1,166,077	1,289,358
Interest on loan repayments			15,995	13,368		551					$ 5,893	168,455	188,267
Miscellaneous	23,975	15,355	10,228	17,922		22						(15,140)	18,159
Colleges and Universities	387	388		320			$ 557,936	$ 518,739	$256,604	$235,811		119,759	875,017
Federal reimbursements and grants	46,569	45,821	9	22,447	$2,042,059	1,812,938					(109)	27,440	1,908,537
Other reimbursements	31,393	40,759	218,694	97,888		688						24,041	163,376
Bond issues:													
State—general purpose		47		23,382							232,339	(23,421)	232,347
Consolidated Transportation Bonds			260,000	234,000								33,783	267,783
Loan repayments		267		736									1,003
State reimbursements	299,750	357,391	196,986	15,949	15,570	14,150	650,044	650,044			246,392	21,680	1,305,606
Appropriated from general fund			222,000	222,000									222,000
Trust funds		4	7,883	7,051								156,090	163,145
Revolving accounts		25	52,601	72,763		1,462						(9,048)	65,202
Reduction of expenditures	6	2,028	8	7		7						2	2,044
Advance collections				547								211	758
Contributions												705,625	705,625
Total revenues	$5,723,785	$5,741,880	$2,612,728	$2,330,428	$2,057,629	$1,830,001	$1,207,980	$1,168,783	$256,604	$235,811	$484,515	$3,171,086	$14,962,504

STATE OF MARYLAND

Schedule of Budget and Actual Expenditures and Encumbrances by Major Function

Budgetary Basis

for the year ended June 30, 1990

(Expressed in Thousands)

	Annual Budgeted Funds												
							Higher Education Funds						
	General Fund		Special Fund		Federal Fund		Current Unrestricted Fund		Current Restricted Fund		Capital Projects Fund	Other Funds	Total
Expenditures and Encumbrances by Major Function	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Actual	Actual	Actual
Payments of revenue to civil divisions of the State	$ 83,500	$ 83,500	$ 45,067	$ 43,895									$ 127,395
Public debt	78,500	78,500	316,618	316,618									395,118
Legislative	37,229	36,132	177	177									36,309
Judicial review and legal	150,104	148,775	1,793	1,711	$ 1,026	$ 924						$ 8,353	159,763
Executive and administrative control	238,764	220,346	43,311	36,323	63,545	61,275						(24,928)	293,016
Financial and revenue administration	169,230	166,358	37,362	36,871	2,396	2,301						603,118	808,648
Budgetary and fiscal administration	8,426	8,414	219	110									8,524
Personnel administration, retirement and employee relations	12,312	12,312	8,456	7,546								682,517	702,375
General services	41,053	40,744	840	788	160	141						(324)	41,349
Transportation and highways			1,558,265	1,489,475	580,499	457,169						182,578	2,129,222
Natural resources and recreation	68,478	67,113	98,475	88,054	14,388	13,162						21,065	189,394
Agriculture	22,503	22,080	22,415	19,286	3,685	3,559						1,374	46,299
Health, hospitals and mental hygiene	1,327,485	1,327,465	46,371	39,049	611,876	607,957						1,942	1,976,413
Human resources	435,896	425,845	46,104	21,369	354,315	327,844						181	775,239
Licensing and regulation	28,437	28,348	187,903	184,543	3,738	3,132						(225,526)	(9,503)
Public safety and correctional services	558,959	556,389	68,069	67,450	3,330	2,781						433	627,053
Public education	2,586,492	2,577,959	33,385	28,904	256,371	245,670	$1,207,980	$1,186,501	$256,604	$237,940		(37,869)	4,239,105
Housing and community development	38,850	38,798	68,309	61,975	48,228	44,875						101,416	247,064
Economic and employment development	56,095	55,077	22,228	16,650	91,705	86,118						259,584	417,429
Environment	29,842	29,842	7,254	5,359	19,719	16,904						1,064	53,169
Juvenile services	88,039	88,009	107	41	2,648	2,049						(113)	89,986
State reserve fund	105,225	34,025											34,025
Loan accounts											$336,889		336,889
Miscellaneous												(256)	(256)
Reversions:													
Current year reversions	94,278												
Prior year reversions		(7,558)		(2,950)		(3,422)		(805)		(16)			(14,751)
Total expenditures and encumbrances	$6,259,697	$6,038,473	$2,612,728	$2,463,244	$2,057,629	$1,872,439	$1,207,980	$1,185,696	$256,604	$237,924	$336,889	$1,574,609	$13,709,274

STATE OF MARYLAND

Schedule of Changes in Fund Equities—Budgetary Basis

for the year ended June 30, 1990

(Expressed in Thousands)

	General Fund	Special Fund: Other Special	Special Fund: Debt Service	Federal Fund	Higher Education: Current Unrestricted Fund	Higher Education: Current Restricted Fund	Capital Projects Fund	Other Funds	Total
Fund equities, July 1, 1989	$ 646,583	$ 439,106	$ 85,901	$ 0	$ 153,163	$ 2,218	$152,718	$13,098,541	$14,578,230
Increase:									
Revenues	5,741,880	2,018,622	311,806	1,830,001	1,168,783	235,811	484,515	3,171,086	14,962,504
Decrease:									
Appropriations	6,165,419	2,290,839	316,618	2,057,629	1,207,980	256,604			
Less: Current year reversions	(119,388)	(141,263)		(181,768)	(21,479)	(18,664)			
Prior year reversions	(7,558)	(2,950)		(3,422)	(805)	(16)			
Expenditures and encumbrances	6,038,473	2,146,626	316,618	1,872,439	1,185,696	237,924	336,889	1,574,609	13,709,274
Changes to encumbrances during fiscal year 1990	4,204	(12,211)		(13,672)	(77)	16			(21,740)
Expenditures	6,042,677	2,134,415	316,618	1,858,767	1,185,619	237,940	336,889	1,574,609	13,687,534
Transfers in (out)	(120,059)	135,160	(1,917)	28,766	187	132	(30,215)	(12,054)	
Changes in contributed capital								12,419	12,419
Fund equities, June 30, 1990	$ 225,727	$ 458,473	$ 79,172	$ 0	$ 136,514	$ 221	$270,129	$14,695,383	$15,865,619
Invested in fixed assets								$ 1,611,662	$ 1,611,662
Contributed capital								1,029,504	1,029,504
Capital deposits by members								144,224	144,224
Retained earnings:									
Reserved								5,749	5,749
Unreserved								1,136,668	1,136,668
Fund Balance:									
Reserved:									
Encumbrances	$ 39,518	$ 103,299		$ 45,607	$ 12,173		$360,806		561,403
Loans and notes receivable	2,850		$ 53,730						56,580
Loans to other funds	1,445		9,470						10,915
Shore erosion loan programs		14,820							14,820
Higher education programs								44,388	44,388
Endowment funds								49,721	49,721
Pension benefits								10,251,637	10,251,637
Unemployment compensation benefits								616,247	616,247
Unreserved:									
Designated for:									
General long-term debt service			15,972						15,972
Transportation debt service								93,531	93,531
State reserve fund	124,930								124,930
Emergency medical services system		3,045							3,045
Fiscal year 1991 operations	52,417								52,417
Undesignated (deficit)	4,567	337,309		(45,607)	124,341	$ 221	(90,677)	(287,948)	42,206
Total	$ 225,727	$ 458,473	$ 79,172	$ 0	$ 136,514	$ 221	$270,129	$14,695,383	$15,865,619

STATE OF MARYLAND

Schedule of Funds Transferred to Political Subdivisions

for the year ended June 30, 1990 (1)

(Expressed in Thousands)

Subdivision(2)	State Sources				Other Sources			Assessed Value of Real and Personal Property(2)	Amount Per $100 of Assessed Value
	Shared Revenues	Direct Grants and Appropriations	Debt Service	Total	Federal Funds	State Administered Local Revenue	Total		
Allegany	$ 3,412	$ 47,859	$ 5,428	$ 56,699	$ 7,746	$ 12,049	$ 76,494	$ 901,390	$ 8.49
Anne Arundel	17,135	199,265	20,867	237,267	12,849	156,540	406,656	8,220,928	4.95
Baltimore County	29,408	281,835	13,515	324,758	20,732	261,349	606,839	12,290,802	4.94
Calvert	2,389	27,023	3,875	33,287	1,885	16,885	52,057	1,641,829	3.17
Caroline	2,147	18,089	1,716	21,952	1,785	5,117	28,854	302,563	9.54
Carroll	6,008	63,745	6,413	76,166	4,070	37,898	118,134	1,920,493	6.15
Cecil	3,593	45,390	3,387	52,370	3,295	29,719	85,384	984,169	8.68
Charles	4,616	62,957	7,003	74,576	4,769	31,101	110,446	1,805,620	6.12
Dorchester	2,398	20,949	3,829	27,176	2,723	5,595	35,494	444,517	7.98
Frederick	6,953	77,967	8,334	93,254	4,449	47,136	144,839	2,418,372	5.99
Garrett	2,796	22,684	3,658	29,138	2,096	4,790	36,024	480,365	7.50
Harford	6,934	94,549	9,536	111,019	5,348	55,075	171,442	2,562,764	6.69
Howard	7,319	75,260	9,457	92,036	3,246	86,330	181,612	4,482,377	4.05
Kent	1,348	10,723	1,128	13,199	944	4,541	18,684	315,769	5.92
Montgomery	27,374	254,971	18,519	300,864	19,144	384,934	704,942	21,505,450	3.28
Prince George's	21,112	368,766	16,866	406,744	31,414	183,219	621,377	11,835,022	5.25
Queen Anne's	2,558	18,486	1,253	22,297	1,390	26,843	50,530	659,915	7.66
St. Mary's	3,517	42,071	4,071	49,659	3,072	18,036	70,767	1,052,914	6.72
Somerset	1,670	15,197	3,682	20,549	2,195	2,773	25,517	227,776	11.20
Talbot	2,014	11,958	859	14,831	1,323	10,578	26,732	837,644	3.19
Washington	5,133	67,056	7,151	79,340	6,637	26,400	112,377	1,522,292	7.38
Wicomico	3,964	43,576	4,576	52,116	5,157	17,785	75,058	1,116,780	6.72
Worcester	2,825	14,897	4,473	22,195	2,676	4,776	29,647	1,881,277	1.58
Baltimore City	145,084	673,637	30,232	848,953	139,429	138,112	1,126,494	7,581,837	14.86
Total	$311,707	$2,558,910	$189,828	$3,060,445	$288,374	$1,567,581	$4,916,400	$86,992,865	

(1) In addition to the amounts shown for counties and Baltimore City, $42,507,000 was distributed to municipalities within the counties.
(2) Source: Forty-sixth Report of the Department of Assessments and Taxation, dated January 1990. Amounts shown are the local subdivision's assessable base only.

STATE OF MARYLAND

Schedule of Taxes Receivable from

Collectors of State Property Taxes

June 30, 1990

(Expressed in Thousands)

Political Subdivision	Taxes Receivable		
	Current Year	Prior Years	Total
Allegany	$ 107	$ 42	$ 149
Anne Arundel	86	12	98
Baltimore County	142	77	219
Calvert	113	(4)	109
Caroline	27	1	28
Carroll	41	2	43
Cecil	42	38	80
Charles	7	14	21
Dorchester	79	32	111
Frederick	17		17
Garrett	85	5	90
Harford	39	4	43
Howard	38	62	100
Kent	51	1	52
Montgomery	323	419	742
Prince George's	43	37	80
Queen Anne's	3		3
St. Mary's	116	23	139
Somerset	59	25	84
Talbot	7	13	20
Washington	168	56	224
Wicomico	137	4	141
Worcester	145		145
Baltimore City	215	145	360
Total	$2,090	$1,008	$3,098

STATE OF MARYLAND

Schedule of Estimated Revenues—Budgetary Basis

for the year ending June 30, 1991

(Expressed in Thousands)

	General Fund	Special Fund	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Total
Property taxes	$ 42,962	$ 211,530(1)				$ 254,492
Franchise and corporation taxes	169,756	10,946				180,702
Death taxes	89,418					89,418
Alcoholic beverage taxes and licenses	17,685	8,675				26,360
Admission taxes		1,256				1,256
Motor vehicle fuel taxes and licenses	10,278	459,722				470,000
Income taxes	3,313,991	108,271				3,422,262
Retail sales and use tax and licenses	1,700,797					1,700,797
State tobacco tax and licenses	45,600	13,100				58,700
Motor vehicle tax and licenses	1,480	553,720				555,200
Insurance company taxes, licenses and fees	150,602					150,602
Horse race taxes and licenses	2,375	2,521				4,896
District courts fines and costs	58,500					58,500
Interest on investments	78,000	9,000				87,000
Hospital patient recoveries	74,935					74,935
Miscellaneous taxes, fees and other revenues	33,614	21,439(2)				55,053
Legislative	838	120				958
Judicial review and legal	19,817	1,607	$ 1,137			22,561
Executive and administrative control	613	28,596	41,308			70,517
Financial and revenue administration	361,558	28,873	2,731			393,162
Budgetary and fiscal administration	1,458	147				1,605
Personnel administration, retirement and employee relations		8,663				8,663
General services	35	672	160			867
Transportation and highways		495,332	487,339			982,671
Natural resources and recreation	50	56,312	12,286			68,648
Agriculture	76	15,868	3,768			19,712
Health, hospitals and mental hygiene	11,010	48,236	653,093			712,339
Human resources	965	50,069	349,624			400,658
Licensing and regulation	52,376	3,241	3,863			59,480
Public safety and correctional services	1,086	49,303	4,041			54,430
Public education	462	29,522	261,876	$1,271,073	$248,876	1,811,809
Housing and community development		44,692	48,718			93,410
Economic and employment development		21,900	94,466			116,366
Environment		4,191	96,856			101,047
Juvenile services	152	104	3,200			3,456
Total	6,240,489	2,287,628	2,064,466	1,271,073	248,876	12,112,532
Transfers from other funds	17,000					17,000
Total estimated revenues	$6,257,489	$2,287,628	$2,064,466	$1,271,073	$248,876	$12,129,532(3)

(1) Includes $170,830,000 recorded as Debt Service Fund for accounting purposes.
(2) Includes $13,054,000 recorded as Debt Service Fund for accounting purposes.
(3) Amounts are reported at July 1, 1990, and do not reflect revisions, if any, subsequent to that date.

STATE OF MARYLAND

Schedule of General, Special, Federal, Current Unrestricted and Current Restricted Fund Appropriations—Budgetary Basis for the year ended June 30, 1991

(Expressed in Thousands)

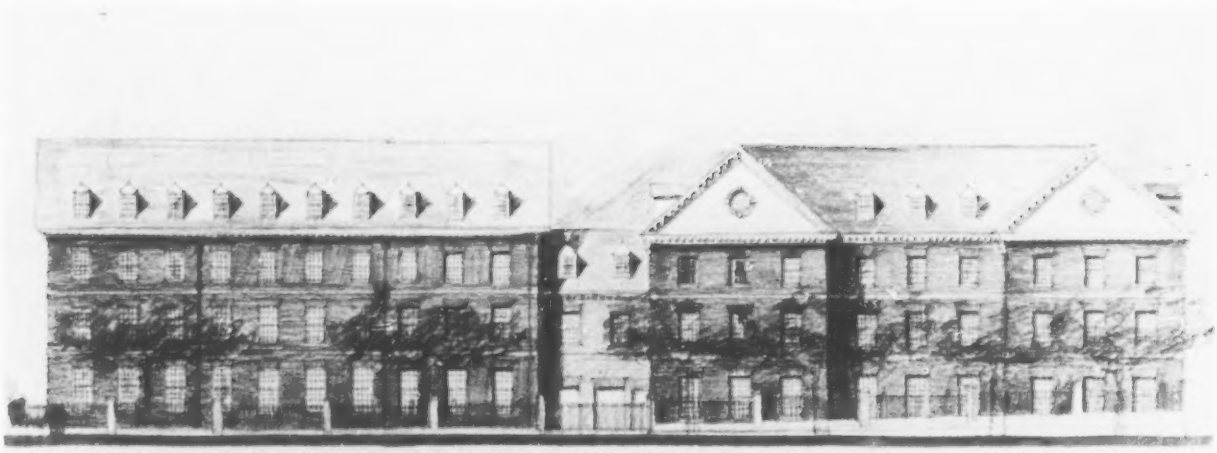
	General Fund	Special Fund	Federal Fund	Current Unrestricted Fund	Current Restricted Fund	Total
Payments of revenue to civil divisions of the State	$ 89,250	$ 39,229				$ 128,479
Public debt	74,250	183,884(1)				258,134
Legislative	40,315	120				40,435
Judicial review and legal	165,619	1,607	$ 1,137			168,363
Executive and administrative control	98,497	28,596	41,308			168,401
Financial and revenue administration	182,625	40,465	2,731			225,821
Budgetary and fiscal administration	8,961	147				9,108
Personnel administration, retirement and employee relations	14,368	8,663				23,031
General services	43,353	672	160			44,185
Transportation and highways		1,604,158	487,339			2,091,497
Natural resources and recreation	77,533	94,693	12,286			184,512
Agriculture	23,239	21,978	3,768			48,985
Health, hospitals and mental hygiene	1,434,176	48,236	653,093			2,135,505
Human resources	458,939	50,069	349,624			858,632
Licensing and regulation	30,606	3,241	3,863			37,710
Public safety and correctional services	601,599	61,111	4,041			666,751
Public education	2,758,655	29,872	261,876	$1,271,073	$248,876	4,570,352
Housing and community development	31,567	44,692	48,718			124,977
Economic and employment development	54,520	21,900	94,466			170,886
Environment	38,140	4,191	96,856			139,187
Juvenile services	95,227	104	3,200			98,531
State reserve fund	2,367					2,367
Total appropriations	$6,323,806	$2,287,628	$2,064,466	$1,271,073	$248,876	$12,195,849(2)

(1) Recorded as Debt Service Fund for accounting purposes.

(2) Amounts are reported at July 1, 1990, and do not reflect revisions, if any, subsequent to that date.

STATISTICAL SECTION

The Annapolis Data Center not only races against Father Time in its operations but it will be able to handle Mother Nature with an uninterruptible power supply. In case of commercial power loss, special batteries inspected by Tony Moen immediately relay current—followed by the full support of a diesel generator.



The 63,000 square-foot Annapolis Data Center building represents a unique marriage of history and high technology. Some of its most important modern features include continuous computer functions, special environmental controls and raised-floor, pre-wired telephone, computer and electrical connections. The exterior of the building was crafted to satisfy city historic requirements while matching the 25-year-old weathered appearance of its neighbor, the Income Tax Building. (Sketch courtesy of Richter, Cornbrooks, Gribble, Inc.)

STATE OF MARYLAND

Schedule of General Government Revenues by Source, Expenditures by Function and Other Sources (Uses) of Financial Resources and Changes in Fund Balances General, Special Revenue, Debt Service and Capital Projects Funds Last Ten Fiscal Years

(Expressed in Thousands)

	Year Ended June 30,									
	1990	1989	1988(5)	1987	1986	1985	1984	1983	1982	1981
Revenues:										
Income taxes	$3,096,423	$3,037,900	$2,676,213	$2,484,692	$2,140,594	$1,968,106	$1,803,939	$1,558,515	$1,452,355	$1,363,909
Retail sales and use taxes	1,571,867	1,507,053	1,423,585	1,302,463	1,189,603	1,098,445	988,284	865,087	797,397	753,674
Motor vehicle taxes and fees	955,253	963,119	948,408	794,946	741,940	683,774	635,602	518,274	436,633	417,302
Other taxes	894,729	861,758	823,790	751,081	641,767	584,254	574,353	550,664	510,021	478,221
Other licenses and fees	113,189	109,523	111,453	102,285	91,104	77,497	70,387	57,488	49,426	38,463
Charges for services	331,312	333,342	353,270	284,983	238,862	266,453	229,160	185,585	193,157	174,986
Interest and other investment income	125,655	125,877	90,441	65,436	94,464	104,262	84,421	96,621	124,999	115,358
Other	192,182	188,241	184,384	174,834	173,133	134,298	111,128	87,588	80,872	107,517
Gain on defeasance of transportation bonds				39,543	53,337					
Federal	1,825,753	1,693,289	1,578,753	1,493,164	1,386,667	1,253,000	1,146,614	1,097,953	928,906	1,029,790
Total revenues	9,106,363	8,820,102	8,190,297	7,493,427	6,751,471	6,170,089	5,643,888	5,017,775	4,573,766	4,479,220
Expenditures:										
Current:										
General government	453,164	437,089	410,519	266,251	248,951	233,441	199,323	217,869	205,972	197,909
Education	2,052,303	1,902,965	1,759,450	1,621,797	1,516,492	1,422,008	983,603	956,799	934,163	891,961
Economic and employment development	147,404	118,804	113,605							
Human resources	753,935	695,029	669,341	680,408	674,346	602,396	543,078	521,613	465,299	510,244
Health and mental hygiene	1,990,090	1,784,992	1,609,327	1,567,412	1,406,629	1,265,849	1,131,159	1,025,195	896,743	860,286
Environment	52,245	45,114	37,140							
Transportation	544,037	550,045	537,686	486,551	544,004	414,230	380,167	330,262(2)	666,070	655,324
Public saftey and judicial	728,105	648,200	559,804	536,267	471,621	433,904	317,823	333,387	286,223	270,379
Housing and community development	62,179	56,024	52,273	39,890	26,434	27,172	24,088	21,137	17,238	18,464
Natural resources and recreation	123,297	107,450	98,541	94,254	82,787	73,952	59,259	59,487	53,974	56,238
Agriculture	43,819	37,193	30,626	31,453	27,909	23,341	20,650	18,655	16,662	13,232
Personnel and retirement				21,773	21,273	31,784(4)	505,587	414,860	334,725	333,892
Intergovernmental	815,738	804,665	784,255	690,520	497,158	525,623	513,755	410,436	376,043	466,260
Debt service	467,197	454,474	435,886	444,079	455,880	433,482	425,977	436,328	411,313	315,868
Capital outlays	1,142,035	925,589	929,024	833,923	685,516	573,053	485,615	595,474	128,424	96,787
Total expenditures	9,375,548	8,567,633	8,027,477	7,314,578	6,659,000	6,060,235	5,590,084	5,341,502	4,792,849	4,686,844
Excess (deficiency) of revenues over expenditures	(269,185)	252,469	162,820	178,849	92,471	109,854	53,804	(323,727)	(219,083)	(207,624)
Other sources (uses) of financial resources:										
Proceeds from capital leases	3,008	12,384	30,250	12,743						
Proceeds from bond issues	499,688	265,191	321,358	275,068	133,380	163,200	146,470	473,105	253,880	444,335
Proceeds from refunding bonds				29,053						
Operating transfers in	353,254	319,604	337,107	332,366	323,423	252,517	211,935	201,668	208,341	171,422
Operating transfers out	(863,239)	(613,723)	(507,772)	(478,367)	(582,044)	(383,393)	(363,309)	(362,651)	(322,959)	(308,330)
Defeasance of bonds				(155,725)	(354,865)					
Payment to refunded bond escrow agent				(29,053)						
Net other sources (uses) of financial resources	(7,289)	(16,544)	180,943	(13,915)	(480,106)	32,324	(4,904)	312,122	139,262	307,427
Excess (deficiency) of revenues over expenditures and net other sources (uses) of financial resources	(276,474)	235,925	343,763	164,934	(387,635)	142,178	48,900	(11,605)	(79,821)	99,803
Fund balance, July 1	1,261,628	1,025,703	681,940	517,006	904,641	762,463	713,563	717,168	803,584	693,781
Adjustments									(6,595)(1)	
Fund balance, July 1, as restated	1,261,628	1,025,703	681,940	517,006	904,641	762,463	713,563	717,168	796,989	693,781
Equity transfers								8,000(3)		10,000
Fund balance, June 30	$ 985,154	$1,261,628	$1,025,703	$ 681,940	$ 517,006	$ 904,641	$ 762,463	$ 713,563	$ 717,168	$ 803,584

Source: General Accounting Division, State Comptroller's Office.

(1) Effective July 1, 1981, the Maryland Higher Education Loan Corporation's activities were recorded in the enterprise funds and its beginning equity was reclassified from the general fund balance to retained earnings in the enterprise funds.

(2) Effective July 1, 1982, capital outlays for transportation projects are reported in Capital Outlays instead of Transportation.

(3) During 1983 the Lottery returned $8,000,000 to the General Fund. This return of contributed capital has been reported as an equity transfer.

(4) Effective July 1, 1984 fringe benefit costs are allocated to the various governmental functions.

(5) Beginning in fiscal year 1988, as a result of a State-wide reorganization, certain expenditures are reported in different classifications.

STATE OF MARYLAND

Schedule of Property Tax Levies and Collections

Last Ten Fiscal Years

(Expressed in Thousands)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percentage of Delinquent Taxes to Tax Levy
1990	$161,400	$159,310	98.71%	$2,389	$161,699	100.19%	$3,098	1.92%
1989	147,009	144,662	98.40	1,653	146,315	99.53	3,666	2.49
1988	133,855	131,841	98.50	2,183	134,024	100.13	3,359	2.51
1987	121,289	119,032	98.14	1,779	120,811	99.61	3,904	3.22
1986	110,507	108,824	98.48	2,582	111,406	100.81	3,606	3.26
1985	101,302	98,706	97.44	5,510	104,216	102.88	5,332	5.26
1984	116,737	111,254	95.30	4,390	115,644	99.06	8,362	7.16
1983	110,224	104,724	95.01	3,899	108,623	98.55	7,269	6.59
1982	101,418	97,200	95.84	1,888	99,088	97.70	5,668	5.59
1981	88,873	86,320	97.13	2,114	88,434	99.51	3,338	3.76

Source: State Comptroller's Office.

STATE OF MARYLAND

Schedule of Assessed and Estimated Actual

Value of Taxable Property

Last Ten Fiscal Years

(Expressed in Thousands)

	Real Property		Personal Property		Total		
Fiscal Year	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio of Total Assessed to Total Estimated Actual Value
1990	$73,116,356	$172,042,533	$23,537,199	$23,537,199	$96,653,555	$195,579,732	49.4%
1989	66,430,610	153,739,328	21,525,228	21,525,228	87,955,838	175,264,556	50.2
1988	60,250,700	138,587,004	20,319,858	20,319,858	80,570,558	158,906,862	50.7
1987	54,469,062	125,288,239	18,608,122	18,608,122	73,077,184	143,896,361	50.8
1986	49,783,232	114,510,022	16,619,926	16,619,926	66,403,158	131,129,948	50.6
1985	45,115,407	103,731,464	15,717,115	15,717,115	60,832,522	119,448,579	50.9
1984	41,315,153	93,342,897	15,384,517	15,384,517	56,699,670	108,727,414	52.1
1983	37,955,616	83,173,437	14,270,604	14,270,604	52,226,220	97,444,041	53.6
1982	35,220,079	74,936,338	12,544,327	12,544,327	47,764,406	87,480,665	54.6
1981	32,352,018	68,834,081	11,342,424	11,342,424	43,694,442	80,176,505	54.5

Source: The Thirty-seventh through Forty-sixth Report of the State Department of Assessments and Taxation.

STATE OF MARYLAND

Schedule of Property Tax Rates—
(Per $100 of Assessed Value)
All Overlapping Governments
Last Ten Fiscal Years

	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
State of Maryland	$ .21	$ .21	$ .21	$ .21	$ .21	$ .21	$ .21	$ .21	$ .20	$ .20
Subdivisions:										
Allegany	2.40	2.37	2.40	2.50	2.70	2.56	2.49	2.11	2.21	2.22
Anne Arundel	2.51	2.51	2.51	2.51	2.57	2.68	2.68	2.31	2.46	2.23
Baltimore County	2.90	2.89	2.89	2.89	3.00	3.12	2.99	2.95	2.98	2.93
Calvert	2.23	2.23	2.23	1.96	1.96	1.96	1.96	1.96	1.96	2.00
Caroline	2.49	2.49	2.53	2.31	2.31	2.31	2.16	2.16	2.16	2.16
Carroll	2.35	2.23	2.08	2.03	2.03	2.08	2.04	2.04	2.12	2.12
Cecil	2.55	2.55	2.55	2.55	2.62	2.65	2.65	2.40	2.40	2.40
Charles	2.36	2.31	2.26	2.28	2.28	2.30	2.27	2.17	2.17	2.07
Dorchester	2.24	2.24	2.24	2.24	2.24	2.24	2.24	2.24	2.24	2.29
Frederick	2.19	2.19	2.19	2.19	2.22	2.25	2.25	2.25	2.28	2.28
Garrett	2.28	2.30	2.32	2.36	2.52	2.68	2.83	3.02	3.22	3.31
Harford	2.73	2.73	2.73	2.73	2.73	2.73	2.73	2.55	2.55	2.43
Howard	2.49	2.49	2.49	2.27	2.49	2.54	2.57	2.39	2.45	2.23
Kent	2.33	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Montgomery	2.07	2.09	2.17	2.08	2.04	2.06	2.26	2.27	2.27	2.34
Prince George's	2.40	2.40	2.40	2.40	2.40	2.43	2.54	2.63	2.60	2.69
Queen Anne's	2.17	2.17	2.12	2.00	2.00	2.00	2.00	1.94	1.94	1.94
St. Mary's	2.33	2.28	2.28	2.14	1.99	1.90	1.90	1.80	1.80	1.80
Somerset	2.00	2.00	1.90	1.90	1.90	1.99	1.99	1.99	1.99	1.99
Talbot	0.81	0.87	0.93	1.01	1.09	1.18	1.27	1.34	1.42	1.49
Washington	2.13	2.13	2.13	2.05	2.05	2.05	1.98	1.98	2.07	2.19
Wicomico	1.95	1.95	1.85	1.85	1.76	1.78	1.78	1.78	1.78	1.78
Worcester	1.59	1.59	1.49	1.49	1.45	1.51	1.51	1.55	1.59	1.53
Baltimore City	5.95	6.00	6.00	6.00	6.00	6.00	5.99	5.96	5.97	5.93

Source: The Thirty-seventh through Forty-sixth Report of the State Department of Assessments and Taxation.

STATE OF MARYLAND

Schedule of Twenty-five Largest Private Employers

Giant Foods, Incorporated
Westinghouse Electric Corporation
Marriott Corporation
Johns Hopkins University
Chesapeake and Potomac Telephone Company
IBM Corporation
Baltimore Gas & Electric Company
Bethlehem Steel Corporation
Johns Hopkins Hospital
United Parcel Service
University of Maryland Medical System
Sinai Hospital of Baltimore Incorporated
Southland Corporation
General Motors Corporation
U. S. F. and G. Company
Hardees Food Systems Incorporated
U.S. Air Incorporated
Bell Atlantic Network Service Incorporated
St. Agnes Hospital
Martin Marietta Corporation
Maryland National Bank
Safeway Stores Incorporated
Dimensions Health Corporation
Equitable Bank N.A.
Blue Cross of Maryland Incorporated

Source: Maryland Department of Economic and Employment Development.

STATE OF MARYLAND

Schedule of Employment by Sector

	Average Annual Employment	Total Wages (Expressed in Thousands)	Average Weekly Wage Per Worker
Government:			
State and local	247,798	$ 6,051,101	$470
Federal	131,741	3,921,097	572
Total government	379,539	9,972,198	505
Manufacturing:			
Durable goods	111,651	3,297,651	568
Nondurable goods	97,709	2,363,276	465
Total manufacturing	209,360	5,660,927	520
Contract construction	161,078	3,930,485	469
Transportation, communications and utilities	90,846	2,510,675	531
Wholesale	114,528	3,308,111	555
Retail	421,620	5,563,461	254
Finance, insurance and real estate	127,455	3,377,814	510
Services and other	567,713	12,183,587	413
Total of all sectors	2,072,139	$46,507,258	$432

Source: Maryland Department of Economic and Employment Development, Office of Labor Market Analysis and Information, December 31, 1988.

STATE OF MARYLAND

Schedule of Ratio of General Long-Term Debt
To Assessed Value and General Long-Term Debt Per Capita
Last Ten Fiscal Years

	(Expressed in Thousands)				
Fiscal Year	Estimated Population	Assessed Value(1)	General Long-term Debt(2)(3)	Ratio of General Long-term Debt to Assessed Value	General Long-term Debt per Capita
1990	4,743	$96,653,555	$2,694,611	2.79%	$568
1989	4,579	87,955,838	2,474,650	2.81	540
1988	4,520	80,570,558	2,479,720	3.08	549
1987	4,464	73,077,184	2,417,980	3.31	542
1986	4,396	66,403,158	2,395,820	3.61	545
1985	4,388	60,832,522	3,027,555	4.98	690
1984	4,354	56,699,670	3,090,800	5.45	710
1983	4,319	52,226,220	3,167,090	6.06	733
1982	4,265	47,764,406	2,952,610	6.18	692
1981	4,216	43,694,442	2,943,560	6.74	698

(1) Source: Forty-sixth Report of the State Department of Assessments and Taxation, dated January 1990. Amounts shown are the State's assessable base only.
(2) Source: State Comptroller's Office.
(3) Includes all long-term general obligation and transportation bonds.

STATE OF MARYLAND

Schedule of Ratio of Annual Debt Service for General Long-Term Debt to Total General Expenditures

Last Ten Fiscal Years

Fiscal Year	(Expressed in Thousands) Principal	Interest	Debt Service	Total General Expenditures(2)	Ratio of Debt Service to General Expenditures (Percent)
1990	$284,216	$182,981	$467,197	$9,375,548	4.98%
1989	272,355	182,119	454,474	8,567,633	5.30
1988	261,375	174,511	435,886	8,027,477	5.43
1987	258,395	185,684	444,079	7,314,578	6.07
1986	254,525	201,355	455,880	6,659,000	6.85
1985	226,445	207,037	433,482	6,060,235	7.15
1984	228,760	197,217	425,977	5,590,084	7.62
1983	192,625(1)	183,703(1)	376,328	5,341,502	7.05
1982	184,830(1)	166,483(1)	351,313	4,792,849	7.33
1981	173,015	142,853	315,868	4,686,844	6.74

Source: General Accounting Division, State Comptroller's Office.

(1) Excludes $60,000,000 of Bond Anticipation Notes for the Department of Transportation which were refinanced in the fiscal years 1983 and 1982, respectively.

(2) Includes general, special revenue, debt service and capital projects funds.

STATE OF MARYLAND

Schedule of Revenue Bond Coverage

Last Ten Fiscal Years

(Expressed in Thousands)

	MARYLAND TRANSPORTATION AUTHORITY						
Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
1990	$118,484	$39,818	$78,666	$2,015	$20,171	$22,186	3.54
1989	111,368	31,002	80,366	1,905	17,022	18,927	4.25
1988	108,029	29,647	78,382	1,805	17,137	18,942	4.14
1987	100,235	27,731	72,504		17,236	17,236	4.21
1986	90,639	24,259	66,380	1,180	12,794	13,974	4.75
1985	74,343	20,794	53,549	1,105	7,709	8,814	6.08
1984	71,549	18,950	52,599	1,035	7,764	8,799	5.98
1983	67,411	17,759	49,652	970	7,815	8,785	5.65
1982	65,014	16,713	48,301	905	7,861	8,766	5.51
1981	63,797	15,436	48,361	850	7,903	8,753	5.53

Source: Maryland Transportation Authority.

STATE OF MARYLAND

Schedule of Taxes Pledged to Consolidated Transportation Bonds and Net Revenues as Defined for Purposes of Consolidated Transportation Bonds Coverage Tests

Last Ten Fiscal Years

(Expressed in Thousands) (1)

	Year Ended June 30,									
	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Revenues:										
Taxes and fees:										
Taxes pledged to bonds	$571,567	$581,073	$577,224	$480,513	$438,886	$403,372	$375,075	$297,593	$245,732	$236,588
Other taxes and fees	187,225	188,242	139,184	134,086	127,130	118,161	126,861	106,944	102,956	105,680
Total taxes and fees	758,792	769,315	716,408	614,599	566,016	521,533	501,936	404,537	348,688	342,268
Operating revenues	147,538	142,248	140,712	129,912	126,021	126,125	121,409	100,291	96,548	87,912
Investment income	16,112	9,077	9,168	10,957	13,644	16,812	12,785	6,431	21,261	10,308
Other	6,888	7,080	8,444	4,228	5,419	3,352	4,056	1,449	971	1,046
Transfer Maryland Transportation Authority										10,000
Total revenues	929,330	927,720	874,732	759,696	711,100	667,822	640,186	512,708	467,468	451,534
Administration, operation and maintenance expenditures	544,268	501,616	472,183	435,281	423,502	379,563	345,469	319,923	280,561	258,906
Less federal funds	(16,791)	(17,567)	(17,771)	(20,801)	(19,648)	(21,245)	(20,274)	(19,221)	(30,394)	(35,160)
Total	527,477	484,049	454,412	414,480	403,854	358,318	325,195	300,702	250,167	223,746
Net revenues	$401,853	$443,671	$420,320	$345,216	$307,246	$309,504	$314,991	$212,006	$217,301	$227,788
Maximum annual principal and interest requirements	$ 69,034	$ 40,327	$ 33,594	$ 33,594	$ 25,175	$ 46,084	$ 53,008	$ 53,008	$ 50,325	$ 50,894
Ratio of net revenues to maximum annual principal and interest requirements	5.82	11.00	12.51	10.27	12.20	6.72	5.94	4.00	4.32	4.48
Ratio of taxes pledged to bonds to maximum annual principal and interest requirements	8.28	14.41	17.18	14.30	17.43	8.75	7.08	5.61	4.88	4.65

Source: The Secretary's Office of the Department of Transportation.

(1) Under the terms of the bond authorizing resolutions, additional Consolidation Transportation Bonds may be issued, provided, among other conditions, that (i) total receipts, less administration, operation and maintenance expenditures for the preceeding fiscal year equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued and that (ii) total proceeds from pledged taxes equal at least two times maximum annual debt service on all Consolidated Transportation Bonds outstanding and to be issued.

STATE OF MARYLAND

Schedule of Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population(1)	Per Capita Income(2)	School Enrollment(3)	Unemployment Rate(4)
1990	4,743,000	N/A	880,035	3.9%
1989	4,579,000	$21,013	868,371	4.5
1988	4,520,000	19,487	858,342	4.2
1987	4,464,000	17,722	880,409	4.4
1986	4,396,000	16,588	871,996	4.3
1985	4,387,000	15,864	874,540	4.4
1984	4,354,000	14,121	888,428	5.8
1983	4,319,000	12,994	909,418	8.0
1982	4,265,000	12,237	925,622	8.4
1981	4,216,000	11,533	950,548	7.3

Sources:

(1) Maryland Office of Planning, Planning Data Services, June 1990.

(2) U.S. Department of Commerce, Bureau of Economic Analysis.

(3) State Departments of Education and Higher Education.

(4) State Department of Economic and Employment Development.

N/A Not available at this date.

STATE OF MARYLAND

Schedule of Property Value and Bank Deposits

Last Ten Fiscal Years

(Expressed in Thousands)

Fiscal Year	Bank Deposits(1)	Property Value(2)			
		Commercial	Residential	Agricultural	Nontaxable
1990	N/A	$48,755,868	$119,369,152	$3,917,512	$32,623,097
1989	$39,268,415	42,846,522	107,220,885	3,671,921	29,890,333
1988	36,706,009	36,760,648	98,311,457	3,514,899	27,105,760
1987	33,925,532	32,570,572	89,388,948	3,328,419	25,990,869
1986	30,902,272	28,675,092	82,618,032	3,126,899	24,146,836
1985	23,040,970	25,326,427	75,323,707	3,081,330	22,602,093
1984	19,874,912	22,787,607	67,645,737	2,909,553	20,992,266
1983	15,879,000	20,438,543	60,083,363	2,741,094	19,489,301
1982	13,831,000	18,742,865	53,639,482	2,553,991	16,868,085
1981	13,462,000	17,348,890	49,036,259	2,448,932	16,808,511

Sources:
(1) First National Bank of Maryland.
(2) State Department of Assessment and Taxation.
N/A Not available at this date.

STATE OF MARYLAND

Schedule of Miscellaneous Statistics

June 30, 1990

Date of Ratification	1788
Form of government	Legislative—Executive—Judicial
Miles of State Highways	5,205
Land Area	9,874 square miles
State Police Protection:	
Number of Stations	27
Number of State Police	1,771
Higher Education (Universities, Colleges and Community Colleges):	
Number of campuses in State	32
Number of educators	6,795
Number of students	220,721
Recreation:	
Number of State Parks and Forests	44
Area of State Parks	73,159 acres
Area of State Forests	131,822 acres
Employees	94,338

Sources: General Accounting Division, State Comptroller's Office.
Maryland Manual 1989–1990.

COMMONWEALTH OF MASSACHUSETTS

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1990

(Amounts in thousands)

	Federal Grants	Highway	Local Aid	Lotteries	Universal Health Care	Oil Overcharge	Other	Totals 1990	Totals 1989
ASSETS									
Cash and short term investments	$ 12,717	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 12,717	$ 0
Receivables, net of allowance for uncollectibles:									
Taxes		22,911	261,590				4,648	289,149	317,608
Due from federal government	85,109	1,871					310	87,290	102,322
Other receivables	6,085	786	2,407	3,105	14,875		15,238	42,496	18,095
Due from other funds	69,781	77,590	1,012,985	39,185	48,498	43,647	60,705	1,352,391	536,084
Total assets	$173,692	$103,158	$1,276,982	$42,290	$63,373	$43,647	$80,901	$1,784,043	$974,109
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	$ 61,513	$ 9,176	$ 128,702	$20,333	$ 455	$ 946	$ 8,757	$ 229,882	$296,174
Accrued payroll	2,743	3,828	114			10	82	6,777	7,187
Tax refunds and abatements payable			180,632				487	181,119	137,641
Other accrued liabilities	35,374	15,286	4,099				1,164	55,923	43,153
Due to cities and towns			1,266,452					1,266,452	304,689
Due to other funds		74,783		2,500			24,350	101,633	113,676
Deferred revenue		122	32,927	10,155			6,627	49,831	9,705
Total liabilities	99,630	103,195	1,612,926	32,988	455	956	41,467	1,891,617	912,225
Fund balances (deficit):									
Unreserved	74,062	(37)	(335,944)	9,302	62,918	42,691	39,434	(107,574)	61,884
Total liabilities and fund balances	$173,692	$103,158	$1,276,982	$42,290	$63,373	$43,647	$80,901	$1,784,043	$974,109

COMMONWEALTH OF MASSACHUSETTS

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Federal Grants	Highway	Local Aid	Lotteries	Universal Health Care	Oil Overcharge	Other	Totals 1990	Totals 1989
Revenues:									
Taxes	$ 0	$286,886	$2,741,549	$ 3,285	$ 0	$ 0	$23,008	$3,054,728	$3,321,416
Assessments		3,154			95,768		17,365	116,287	73,269
Federal grants and reimbursements	1,041,847	7,497	589				11,851	1,061,784	1,075,116
Departmental	4,600	356,697	8,512	1,657,411	29,749		30,578	2,087,547	1,758,067
Miscellaneous		795	3,941	9,764	794	12,315	4,394	32,003	37,915
Total revenues	1,046,447	655,029	2,754,591	1,670,460	126,311	12,315	87,196	6,352,349	6,265,783
Other financing sources:									
Operating transfers	797	10,976	750,378		10,000	8	3,899	776,058	490,070
Other									77
Total other financing sources	797	10,976	50,378		10,000	8	3,899	776,058	490,147
Total revenues and other sources	1,047,244	666,005	3,504,969	1,670,460	136,311	12,323	91,095	7,128,407	6,755,930
Expenditures:									
Current:									
Judiciary	18		225,605					225,623	224,250
Secretary of the Commonwealth	717							717	567
Treasurer and Receiver - General	807		12,525	1,119,106			1,501	1,133,939	975,024
Attorney General	145	17					763	925	1,038
District Attorney	1,617	330	24,848				6,962	33,757	36,441
Administration and finance	3,805	80,267	97,174				23,977	205,223	124,813
Environmental affairs	16,436	40,444	31,558				12,687	101,125	109,016
Communities and development	165,924		2,065			15,235	7,265	190,489	202,138
Human services	257,123		6,101		77,900		7,770	348,894	315,739
Transportation and construction	2,016	48,659					378	51,053	48,957
Education	266,682		36,240					302,922	275,591
Higher education	148,546		273					148,819	176,095
Public safety	15,628	92,020	1,515					109,163	114,915
Economic affairs	121,347		133				9,314	130,794	147,889
Elder affairs	24,552							24,552	26,279
Consumer affairs	569	3,293				4,108		7,970	20,960
Labor	735				50		296	1,081	836
Independent commissions	2,672		17,127					19,799	20,000
Direct local aid to cities and towns		23,863	2,821,443					2,845,306	2,862,762

(Continued)

COMMONWEALTH OF MASSACHUSETTS

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Federal Grants	Highway	Local Aid	Lotteries	Universal Health Care	Oil Overcharge	Other	Totals 1990	Totals 1989
Expenditures (continued):									
Pension		49,465	384,725				648	434,838	425,585
Debt service:									
Principal retirement		80,398	16,063				2,478	98,939	85,166
Interest and fiscal charges		89,578	20,069				2,041	111,688	89,523
Total expenditures	1,029,339	508,334	3,697,464	1,119,106	77,950	19,343	76,080	6,527,616	6,283,584
Other financing uses:									
Operating transfers	13,532	120,244	45,057	568,568	3,754	64	19,030	770,249	749,435
Other									47
Total other financing uses	13,532	120,244	45,057	568,568	3,754	64	19,030	770,249	749,482
Total expenditures and other uses	1,042,871	628,578	3,742,521	1,687,674	81,704	19,407	95,110	7,297,865	7,033,066
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,373	37,427	(237,552)	(17,214)	54,607	(7,084)	(4,015)	(169,458)	(277,136)
Fund balances (deficit) at beginning of year	69,689	(37,464)	(98,392)	26,516	8,311	49,775	43,449	61,884	339,020
Fund balances (deficit) at end of year	$ 74,062	($ 37)	($ 335,944)	$ 9,302	$ 62,918	$42,691	$39,434	($ 107,574)	$ 61,884

(Concluded)

COMMONWEALTH OF MASSACHUSETTS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - STATUTORY BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Highway			Local Aid			Other Special Revenue			Total Budgeted Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues and other financing sources:												
Taxes	$289,881	$289,881	$ 0	$2,848,041	$2,848,041	$ 0	$18,456	$18,456	$ 0	$3,156,378	$3,156,378	$ 0
Assessments	3,154	3,154					3,433	3,433		6,587	6,587	
Federal grants and reimbursements	7,497	7,497		589	589		2,096	2,096		10,182	10,182	
Departmental	356,737	356,737		8,512	8,512		26,318	26,318		391,567	391,567	
Miscellaneous	728	728		3,796	3,796		1,706	1,706		6,230	6,230	
Total revenues	657,997	657,997		2,860,938	2,860,938		52,009	52,009		3,570,944	3,570,944	
Other financing sources:												
Operating transfers	10,976	10,976		750,378	750,378		64	64		761,418	761,418	
Accounts payable balances reverted	(541)	(541)		3,900	3,900					3,359	3,359	
Total other financing sources	10,435	10,435		754,278	754,278		64	64		764,777	764,777	
Total revenues and other sources	668,432	668,432		3,615,216	3,615,216		52,073	52,073		4,335,721	4,335,721	
Expenditures and other financing uses:												
Current:												
Judiciary				233,129	229,532	3,597				233,129	229,532	3,597
Treasurer and Receiver - General				1,078,899	1,078,843	56	1,501	1,501		1,080,400	1,080,344	56
Attorney General	19	17	2				807	765	42	826	782	44
District Attorney	330	330		24,965	24,738	227	7,367	6,756	611	32,662	31,824	838
Administration and finance	80,608	80,251	357	121,981	121,678	303	10,846	6,971	3,875	213,435	208,900	4,535
Environmental affairs	41,214	40,876	338	31,429	31,207	222	14,643	11,809	2,834	87,286	83,892	3,394
Communities and development				5,465	3,340	2,125	7,623	7,266	357	13,088	10,606	2,482
Human services				16,996	16,906	90	4,527	4,514	13	21,523	21,420	103
Transportation and construction	137,162	136,115	1,047	14,284	14,283	1				151,446	150,398	1,048
Education				1,743,040	1,734,737	8,303				1,743,040	1,734,737	8,303
Higher education				278	273	5				278	273	5
Public safety	93,678	91,879	1,799	1,532	1,515	17				95,210	93,394	1,816
Economic affairs				140	133	7	9,672	9,314	358	9,812	9,447	365
Consumer affairs	3,377	3,243	134							3,377	3,243	134
Labor							315	296	19	315	296	19
Independent commissions				17,127	17,127					17,127	17,127	
Pension	49,502	49,294	208	384,032	383,284	748	644	644		434,178	433,222	956
Debt service:												
Principal retirement	80,398	80,398		16,063	16,063		886	767	119	97,347	97,228	119
Interest and fiscal charges	89,578	89,578		20,264	20,069	195	326	177	149	110,168	109,824	344
Total expenditures	575,866	571,981	3,885	3,709,624	3,693,728	15,896	59,157	50,780	8,377	4,344,647	4,316,489	28,158

(Continued)

COMMONWEALTH OF MASSACHUSETTS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - STATUTORY BASIS - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Highway			Local Aid			Other Special Revenue			Total Budgeted Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Other financing uses:												
Operating transfers:												
Pension	171	171		1,441	1,441		3	3		1,615	1,615	
Other	45,469	45,461	8	133	45,057	(44,924)	1,796	5,163	(3,367)	47,398	95,681	(48,283)
Total other financing uses	45,640	45,632	8	1,574	46,498	(44,924)	1,799	5,166	(3,367)	49,013	97,296	(48,283)
Total expenditures and other uses	621,506	617,613	3,893	3,711,198	3,740,226	(29,028)	60,956	55,946	5,010	4,393,660	4,413,705	(20,125)
Excess (deficiency) of revenues and other sources over expenditures and other uses	46,926	50,819	3,893	(95,982)	(125,010)	(29,028)	(8,883)	(3,873)	5,010	(57,939)	(78,064)	(20,125)
Fund balances (deficit) at beginning of year	15,633	15,633		(255,099)	(255,099)		28,096	28,096		(211,370)	(211,370)	
Fund balances (deficit) at end of year	$ 62,559	$ 66,452	$3,893	($ 351,081)	($ 380,109)	($ 29,028)	$19,213	$24,223	$5,010	($ 269,309)	($ 289,434)	($ 20,125)

(Concluded)

COMBINING FINANCIAL STATEMENTS -

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financial resources used to acquire or construct major capital assets and to finance local capital projects.

General - to account for proceeds of bonds sold to fund the construction or acquisition of capital assets for general Commonwealth purposes, excluding highway construction and projects targeted for specific localities or purposes.

Highway - to account for the proceeds of bonds sold to finance construction of state highways and to fund the Commonwealth's share of federally-sponsored highway construction.

Federal - to account for federal highway construction grants which, with the Commonwealth's required share of matching funds, finance interstate highways and similar projects within Massachusetts to promote a nationwide highway system.

Local Aid - to account for the proceeds of bonds sold to finance the construction of correctional facilities, water pollution abatement projects and other local projects in specific localities of the Commonwealth.

Other - to account for the proceeds of bonds sold to finance land acquisition for economic development, preservation and recreational purposes, and other capital projects.

COMMONWEALTH OF MASSACHUSETTS

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1990

(Amounts in thousands)

	General	Highway	Federal	Local Aid	Other	Totals 1990	Totals 1989
ASSETS							
Receivables, net of allowance for uncollectibles:							
Due from federal government	$ 0	$ 0	$ 59,676	$ 0	$ 0	$ 59,676	$ 24,689
Due from other funds		47,864		25,672	1,354	74,890	19,128
Total assets	$ 0	$47,864	$ 59,676	$25,672	$ 1,354	$134,566	$ 43,817
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 72,464	$23,996	$ 41,982	$ 29,145	$ 1,567	$169,154	$171,322
Accrued payroll	229	13	332	12	1	587	619
Other accrued liabilities	378	59	1,336	9		1,782	2,469
Due to other funds	86,504		154,544	4,067	5,121	250,236	253,471
Bonds and notes payable	172,897	23,143		205	14,543	210,788	197,111
Total liabilities	332,472	47,211	198,194	33,438	21,232	632,547	624,992
Fund balances (deficit):							
Unreserved	(332,472)	653	(138,518)	(7,766)	(19,878)	(497,981)	(581,175)
Total liabilities and fund balances	$ 0	$47,864	$ 59,676	$25,672	$ 1,354	$134,566	$ 43,817

COMMONWEALTH OF MASSACHUSETTS

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	General	Highway	Federal	Local Aid	Other	Totals 1990	Totals 1989
Revenues:							
Federal grants and reimbursements	$ 149	$ 0	$186,618	$ 0	$ 108	$ 186,875	$ 193,826
Departmental	2		403		24	429	261
Miscellaneous		44	86			130	53
Total revenues	151	44	187,107		132	187,434	194,140
Other financing sources:							
Proceeds of general obligation bonds	601,704	154,858		219,193	39,728	1,015,483	1,374,271
Operating transfers		30,000	43,811	31		73,842	28,407
Other	29,304				643	29,947	17,842
Total other financing sources	631,008	184,858	43,811	219,224	40,371	1,119,272	1,420,520
Total revenues and other sources	631,159	184,902	230,918	219,224	40,503	1,306,706	1,614,660
Expenditures:							
Capital outlay:							
Local aid				208,420		208,420	111,642
Capital acquisition and construction	566,412	87,363	254,421		20,546	928,742	1,124,517
Total expenditures	566,412	87,363	254,421	208,420	20,546	1,137,162	1,236,159
Other financing uses:							
Operating transfers	4,989	43,982	33,768	1,937	1,674	86,350	36,776
Total expenditures and other uses	571,401	131,345	288,189	210,357	22,220	1,223,512	1,272,935
Excess (deficiency) of revenues and other sources over expenditures and other uses	59,758	53,557	(57,271)	8,867	18,283	83,194	341,725
Fund deficit at beginning of year	(392,230)	(52,904)	(81,247)	(16,633)	(38,161)	(581,175)	(922,900)
Fund balances (deficit) at end of year	($332,472)	$ 653	($138,518)	($ 7,766)	($19,878)	($ 497,981)	($ 581,175)

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COMBINING FINANCIAL STATEMENTS -

ENTERPRISE FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for economic resources received and used to offer products or services on a user-charge basis to the general public. It is the Commonwealth's intent that these activities be self-supporting, although contract assistance is provided through budget appropriations in some cases.

Massachusetts Bay Transportation Authority (MBTA) - to account for resources required and used to provide public transportation services, particularly rail and bus services, within the greater Boston metropolitan area.

Massachusetts Convention Center Authority (MCCA) - to account for the resources provided and used in the operation of the John B. Hynes Veterans Memorial Convention Center and the Boston Common Parking Garage.

Massachusetts Water Resources Authority (MWRA) - to account for the resources provided and used to provide water supply and sewerage treatment and disposal services in the greater Boston metropolitan area, and to address cleanup of the Boston Harbor.

Medical and Educational Facilities - to account for the resources provided and used to operate higher education facilities financed through the state college and university building authorities and to operate certain aspects of the University of Massachusetts Medical Center, a teaching, research and clinical care facility serving central and western Massachusetts.

Economic Development Authorities - to account for the resources used to finance specifically-targeted programs that support and encourage economic growth within the Commonwealth.

COMMONWEALTH OF MASSACHUSETTS

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1990

(Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Convention Center Authority	Massachusetts Water Resources Authority	Medical and Educational Facilities	Economic Development	Totals 1990	Totals 1989
ASSETS							
Cash and short term investments	$ 20,285	$ 687	$ 44,204	$ 55,166	$ 30,322	$ 150,664	$ 145,611
Investments				103,968	27,058	131,026	151,254
Receivables, net of allowance for uncollectibles:							
Due from federal government	9,262			4		9,266	9,348
Loans				29,892	18,724	48,616	55,930
Other receivables	17,851	393	899	14,869	3,483	37,495	33,540
Due from other funds	213,936	19,486			77	233,499	212,261
Inventory	39,138		7,369	3,763		50,270	47,216
Fixed assets	3,897,694	226,567	2,667,210	374,998	33,947	7,200,416	6,739,344
Restricted and other assets	39,393	43,877	587,326	38,450	43,888	752,934	611,180
Total assets	$4,237,559	$291,010	$3,307,008	$621,110	$157,499	$8,614,186	$8,005,684
LIABILITIES, FUND EQUITY AND OTHER CREDITS							
Liabilities:							
Accounts payable	$ 26,553	$ 11,503	$ 59,736	$ 12,857	$ 2,491	$ 113,140	$ 102,198
Accrued payroll	5,015			9,229		14,244	6,619
Other accrued liabilities	106,662	20,763	30,166	78,767	7,344	243,702	221,156
Due to other funds				16,765		16,765	21,650
Deferred revenue	35,840	841	98,707	21	845	136,254	108,428
Bonds and notes payable	1,748,133	157,610	789,865	248,978	33	2,944,619	2,470,723
Total liabilities	1,922,203	190,717	978,474	366,617	10,713	3,468,724	2,930,774
Fund equity and other credits:							
Contributed capital	2,446,513	92,952	2,328,534	263	70,796	4,939,058	4,859,919
Retained earnings (deficit):							
Reserved		8,036		1,250	14,831	24,117	24,757
Unreserved	(131,157)	(695)		252,980	61,159	182,287	190,234
Total fund equity and other credits	2,315,356	100,293	2,328,534	254,493	146,786	5,145,462	5,074,910
Total liabilities, fund equity and other credits	$4,237,559	$291,010	$3,307,008	$621,110	$157,499	$8,614,186	$8,005,684

COMMONWEALTH OF MASSACHUSETTS

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, CHANGES IN RETAINED EARNINGS AND CHANGES IN CONTRIBUTED CAPITAL

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Convention Center Authority	Massachusetts Water Resources Authority	Medical and Educational Facilities	Economic Development	Totals 1990	Totals 1989
Operating revenues:							
Charges for services	$ 137,882	$10,387	$ 173,923	$228,402	$ 2,026	$ 552,620	$ 450,546
Other			1,049	6,540		7,589	13,215
Total operating revenues	137,882	10,387	174,972	234,942	2,026	560,209	463,761
Operating expenses:							
Cost of services	503,482	16,267	107,994	225,741	28,556	882,040	797,753
Depreciation	121,098	9,658	59,906	9,728	7,126	207,516	177,922
Total operating expenses	624,580	25,925	167,900	235,469	35,682	1,089,556	975,675
Operating income (loss)	(486,698)	(15,538)	7,072	(527)	(33,656)	(529,347)	(511,914)
Nonoperating revenues (expenses):							
Operating grants	18,899			412	1,091	20,402	32,737
Interest income	4,589	1,050	38,997	7,335	7,263	59,234	41,128
Other revenues	6,497	203		154	1,608	8,462	15,305
Interest expense	(106,250)	(15,403)	(55,398)	(18,737)	(2,010)	(197,798)	(151,846)
Other expenses		(2,741)	(33,453)	(2,881)		(39,075)	(47,779)
Nonoperating revenues (expenses), net	(76,265)	(16,891)	(49,854)	(13,717)	7,952	(148,775)	(110,455)

(Continued)

COMMONWEALTH OF MASSACHUSETTS

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, CHANGES IN RETAINED EARNINGS AND CHANGES IN CONTRIBUTED CAPITAL

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Convention Center Authority	Massachusetts Water Resources Authority	Medical and Educational Facilities	Economic Development	Totals 1990	Totals 1989
Loss before transfers	(562,963)	(32,429)	(42,782)	(14,244)	(25,704)	(678,122)	(622,369)
Operating transfers	472,097	20,481		27,457	14,939	534,974	541,235
Net income (loss)	(90,866)	(11,948)	(42,782)	13,213	(10,765)	(143,148)	(81,134)
Add: Depreciation of cost of assets acquired from contributed capital	82,336	9,443	42,782			134,561	89,947
Increase (decrease) in retained earnings	(8,530)	(2,505)		13,213	(10,765)	(8,587)	8,813
Retained earnings (deficit) at beginning of year	(122,627)	9,846		241,017	86,755	214,991	206,178
Retained earnings (deficit) at end of year	($ 131,157)	$ 7,341	$ 0	$254,230	$75,990	$ 206,404	$ 214,991
Contributed capital at beginning of year	$2,394,034	$93,902	$2,300,398	$ 0	$71,585	$4,859,919	$4,772,550
Add: Capital contributions	134,815	8,493	70,918	263	(789)	213,700	177,316
Less: Depreciation of fixed assets acquired from contributed capital	(82,336)	(9,443)	(42,782)			(134,561)	(89,947)
Contributed capital at end of year	$2,446,513	$92,952	$2,328,534	$ 263	$70,796	$4,939,058	$4,859,919

(Concluded)

COMMONWEALTH OF MASSACHUSETTS

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Convention Center Authority	Massachusetts Water Resources Authority	Medical and Educational Facilities	Economic Development	Totals 1990	Totals 1989
Cash flows from operating activities:							
Operating income (loss)	($486,698)	($15,538)	$ 7,072	($ 527)	($33,656)	($ 529,347)	($511,914)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	121,098	9,658	59,906	9,728	7,126	207,516	177,922
Change in assets and liabilities:							
Investments				13,025	7,203	20,228	(17,722)
Due from federal government	86			(4)		82	57
Loans receivable				4,738	2,576	7,314	(37,685)
Other receivables	(7,391)	290	164	(705)	3,687	(3,955)	19,412
Due from other funds	(17,843)	(3,410)		1	14	(21,238)	29,720
Inventory	(2,564)		(568)	78		(3,054)	(2,595)
Restricted and other assets	3,210	4,079	(115,958)	(23,541)	(9,544)	(141,754)	(219,955)
Accounts payable	576	1,806	8,620	(127)	67	10,942	17,800
Accrued payroll	1,243			6,382		7,625	6,619
Other accrued liabilities	(13,278)	3,634	18,764	8,271	5,155	22,546	60,473
Due to other funds			(15,653)	16,765	(5,997)	(4,885)	3,957
Deferred revenue	(6,234)	583	33,453	22	2	27,826	25,426
Total adjustments	78,903	16,640	(11,272)	34,633	10,289	129,193	63,429
Net cash provided by (used for) operating activities	(407,795)	1,102	(4,200)	34,106	(23,367)	(400,154)	(448,485)
Cash flows from noncapital financing activities:							
Operating grants	18,899			412	1,091	20,402	32,737
Operating transfers	472,097	20,481		27,457	14,939	534,974	541,235
Nonoperating revenues (expenses), net	6,497	(2,538)	(33,453)	(2,727)	1,608	(30,613)	(32,474)
Net cash provided by noncapital financing activities	497,493	17,943	(33,453)	25,142	17,638	524,763	541,498

(Continued)

COMMONWEALTH OF MASSACHUSETTS

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Massachusetts Bay Transportation Authority	Massachusetts Convention Center Authority	Massachusetts Water Resources Authority	Medical and Educational Facilities	Economic Development	Totals 1990	Totals 1989
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(426,022)	(3,632)	(196,091)	(42,071)	(772)	(668,588)	(639,988)
Proceeds from the issuance of bonds and notes	936,400		788,999	1,285	17	1,726,701	790,936
Interest paid on bonds and notes	(106,250)	(15,403)	(55,398)	(18,737)	(2,010)	(197,798)	(151,846)
Capital contributions	134,815	8,493	70,918	263	(789)	213,700	177,316
Principal payments on bonds and notes	(648,501)	(9,935)	(588,355)	(2,514)	(3,500)	(1,252,805)	(283,516)
Net cash provided by (used for) capital and related financing activities	(109,558)	(20,477)	20,073	(61,774)	(7,054)	(178,790)	(107,098)
Cash flows from investing activities:							
Interest on investments	4,589	1,050	38,997	7,335	7,263	59,234	41,128
Net increase (decrease) in cash and cash equivalents	(15,271)	(382)	21,417	4,809	(5,520)	5,053	27,043
Cash and cash equivalents at beginning of year	35,556	1,069	22,787	50,357	35,842	145,611	118,568
Cash and cash equivalents at end of year	$ 20,285	$ 687	$ 44,204	$55,166	$30,322	$ 150,664	$145,611

(Concluded)

COMBINING FINANCIAL STATEMENTS -

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Commonwealth in a trustee capacity or as an agent for individuals, private organizations or other governments.

EXPENDABLE TRUST FUNDS:

Unemployment Compensation - to account for unemployment taxes collected from employers and held by the United States Treasury in the Federal Unemployment Trust Fund, from which funds are drawn for the payment of benefits to the unemployed.

Other - to account for various gifts, bequests or contributions held by the Commonwealth of which both principal and interest may be expended for purposes designated by the donor.

NONEXPENDABLE TRUST FUNDS:

Nonexpendable Trust - to account for various gifts and bequests held by the Commonwealth, including the endowments of its institutions of higher education, of which only the income may be expended for purposes specified by the donor.

PENSION TRUST FUNDS:

State and Local Retirement System - to account for the assets, liabilities and fund equities held in trust by the State Employees' and Teachers' Retirement Systems for the payment of retirement, disability and death benefits to members of these retirements systems and to fund the Commonwealth's obligations to local systems.

AGENCY FUNDS:

Central Agency Funds - to account for cash and investments held or managed by the Commonwealth on behalf of others, including the investments made by cities, towns and local authorities in the Massachusetts Municipal Depository Trust and Pension Reserves Investment Trust, employees' contributions to the deferred compensation plan, annuity contracts held for lottery prize winners, and local option taxes collected but not yet remitted.

Court Escrow and Client Accounts - to account for assets held in escrow accounts by the Commonwealth's court system pending settlement of outstanding litigation, and by the human service departments on behalf of patients, clients and inmates.

Statutory Bonds and Deposits - to account for deposits required from insurance companies and similar organizations doing business within the Commonwealth, to protect citizens against the risk of loss due to business failure.

Higher Education - to account for funds received from students at the Commonwealth's institutions of higher education for such purposes as health insurance premiums and contributions to MassPIRG (People Interest Research Group), or received from private donors to fund scholarships for named individual students.

COMMONWEALTH OF MASSACHUSETTS

FIDUCIARY FUND TYPES

COMBINING BALANCE SHEET

JUNE 30, 1990

(Amounts in thousands)

	Expendable Trust Funds	Non-expendable Trust Funds	Pension Trust Funds	Agency Funds	Totals 1990	Totals 1989
ASSETS						
Cash and short term investments	$ 0	$18,783	$ 0	$ 745,689	$ 764,472	$ 879,389
Amounts on deposit with U.S. Treasury	682,442				682,442	1,102,728
Investments			7,885,340	326,421	8,211,761	7,405,338
Investments of deferred compensation plan				531,180	531,180	420,766
Annuity contracts				800,867	800,867	697,000
Assets held in trust				1,134,303	1,134,303	866,274
Receivables, net of allowance for uncollectibles:						
Taxes	139,113				139,113	119,479
Other receivables	4,063	3,831	28,319	4,135	40,348	27,231
Due from other funds	50,863	5,859	43,532	85,095	185,349	208,737
Total assets	$876,481	$28,473	$7,957,191	$3,627,690	$12,489,835	$11,726,942
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 42,293	$ 0	$ 212	$ 10,054	$ 52,559	$ 41,092
Accrued payroll	525				525	271
Other accrued liabilities	1,173				1,173	1,311
Due to cities and towns				8,945	8,945	9,277
Due to other funds	3,921		52,959	10,672	67,552	45,013
Deferred revenue	6,010				6,010	3,638
Prizes payable				800,867	800,867	697,000
Agency liabilities				2,797,152	2,797,152	2,540,310
Total liabilities	53,922		53,171	3,627,690	3,734,783	3,337,912
Fund balances:						
Reserved for:						
Unemployment benefits	771,795				771,795	1,187,470
Pension benefits			7,904,020		7,904,020	7,126,414
Unreserved	50,764	28,473			79,237	75,146
Total fund balances	822,559	28,473	7,904,020		8,755,052	8,389,030
Total liabilities and fund balances	$876,481	$28,473	$7,957,191	$3,627,690	$12,489,835	$11,726,942

COMMONWEALTH OF MASSACHUSETTS

EXPENDABLE TRUST FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1990

(Amounts in thousands)

	Expendable Trust	Unemployment Compensation	Totals 1990	Totals 1989
ASSETS				
Amounts on deposit with U.S. Treasury	$ 0	$682,442	$682,442	$1,102,728
Receivables, net of allowance for uncollectibles:				
Taxes		139,113	139,113	119,479
Other receivables	4,063		4,063	1,638
Due from other funds	50,863		50,863	55,349
Total assets	$54,926	$821,555	$876,481	$1,279,194
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 2,454	$ 39,839	$ 42,293	$ 30,580
Accrued payroll	525		525	271
Other accrued liabilities	1,173		1,173	1,311
Due to other funds		3,921	3,921	4,867
Deferred revenue	10	6,000	6,010	3,638
Total liabilities	4,162	49,760	53,922	40,667
Fund balances:				
Reserved for unemployment benefits		771,795	771,795	1,187,470
Unreserved	50,764		50,764	51,057
Total fund balances	50,764	771,795	822,559	1,238,527
Total liabilities and fund balances	$54,926	$821,555	$876,481	$1,279,194

COMMONWEALTH OF MASSACHUSETTS

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Expendable Trust	Unemployment Compensation	Totals 1990	Totals 1989
Revenues:				
Taxes	$ 27	$ 553,612	$ 553,639	$ 479,270
Assessments	1,127		1,127	852
Departmental	3,595		3,595	3,455
Miscellaneous	76,976	119,937	196,913	171,553
Total revenues	81,725	673,549	755,274	655,130
Other financing sources:				
Operating transfers	8,738		8,738	10,065
Other	583		583	
Total other financing sources	9,321		9,321	10,065
Total revenues and other sources	91,046	673,549	764,595	665,195
Expenditures:				
Judiciary	100		100	48
Treasurer and Receiver - General	23		23	8
Auditor of the Commonwealth	374		374	7
Attorney General	1,293		1,293	247
Ethics commission				10
District Attorney	487		487	326
Administration and finance	3,096		3,096	10,391
Environmental affairs	8,390		8,390	2,874
Communities and development	275		275	553
Human services	9,559		9,559	10,325
Transportation and construction	1,304		1,304	1,451
Education	3,774		3,774	4,647
Higher education	37,808		37,808	38,453
Public safety	1,241		1,241	1,019
Economic affairs	3,526	1,089,224	1,092,750	636,450
Elder affairs	15		15	95
Consumer affairs	1,322		1,322	1,647
Labor	17,395		17,395	9,351
Independent commissions	4		4	
Total expenditures	89,986	1,089,224	1,179,210	717,902

(Continued)

COMMONWEALTH OF MASSACHUSETTS

EXPENDABLE TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Expendable Trust	Unemployment Compensation	Totals 1990	Totals 1989
Other financing uses:				
Operating transfers	1,353		1,353	8,663
Total expenditures and other uses	91,339	1,089,224	1,180,563	726,565
Deficiency of revenues and other sources over expenditures and other uses	(293)	(415,675)	(415,968)	(61,370)
Fund balances at beginning of year	51,057	1,187,470	1,238,527	1,299,897
Fund balances at end of year	$50,764	$ 771,795	$ 822,559	$1,238,527

(Concluded)

COMMONWEALTH OF MASSACHUSETTS

PENSION TRUST FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1990

(Amounts in thousands)

	State Employees' PERS	Teachers' PERS	Totals 1990	Totals 1989
ASSETS				
Investments	$3,909,344	$3,975,996	$7,885,340	$7,122,998
Receivables, net of allowance for uncollectibles:				
Other receivables		28,319	28,319	25,573
Due from other funds	42,951	581	43,532	19,087
Total assets	$3,952,295	$4,004,896	$7,957,191	$7,167,658
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 0	$ 212	$ 212	$ 1,151
Due to other funds		52,959	52,959	40,093
Total liabilities		53,171	53,171	41,244
Fund balances:				
Reserved for pension benefits	3,952,295	3,951,725	7,904,020	7,126,414
Total liabilities and fund balances	$3,952,295	$4,004,896	$7,957,191	$7,167,658

COMMONWEALTH OF MASSACHUSETTS

PENSION TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	State Employees' PERS	Teachers' PERS	Totals 1990	Totals 1989
Operating revenues:				
Contributions	$ 484,166	$ 394,362	$ 878,528	$ 865,131
Investment income	298,513	291,711	590,224	899,274
Total operating revenues	782,679	686,073	1,468,752	1,764,405
Operating expenses:				
Administration	2,595	1,282	3,877	4,401
Retirement benefits and refunds	382,700	304,569	687,269	652,586
Total operating expenses	385,295	305,851	691,146	656,987
Net income	397,384	380,222	777,606	1,107,418
Fund balances at beginning of year	3,554,911	3,571,503	7,126,414	6,018,996
Fund balances at end of year	$3,952,295	$3,951,725	$7,904,020	$7,126,414

COMMONWEALTH OF MASSACHUSETTS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Central Agency Funds				
Assets:				
Cash and short term investments	$ 811,936	$2,963,435	$3,068,869	$ 706,502
Investments	282,341	44,080		326,421
Investments in deferred compensation plan	420,766	141,642	31,228	531,180
Annuity contracts	697,000	190,020	86,153	800,867
Other receivables	13		13	
Due from other funds	85,865		39,054	46,811
Total assets	$2,297,921	$3,339,177	$3,225,317	$2,411,781
Liabilities:				
Accounts payable	$ 9,362	$ 665,582	$ 665,007	$ 9,937
Due to cities and towns	9,277	96,907	97,239	8,945
Due to other funds	41	10,609		10,650
Prizes payable	697,000	190,020	86,153	800,867
Agency liabilities	1,582,241	1,948,554	1,949,413	1,581,382
Total liabilities	$2,297,921	$2,911,672	$2,797,812	$2,411,781
Court Escrow and Client Accounts				
Assets:				
Cash and short term investments	$ 37,249	$ 409,516	$ 417,448	$ 29,317
Due from other funds	40,406	92	3,005	37,493
Total assets	$ 77,655	$ 409,608	$ 420,453	$ 66,810
Liabilities:				
Agency liabilities	$ 77,655	$ 409,608	$ 420,453	$ 66,810
Total liabilities	$ 77,655	$ 409,608	$ 420,453	$ 66,810

(Continued)

COMMONWEALTH OF MASSACHUSETTS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Statutory Bonds and Deposits				
Assets:				
Cash and short term investments	$ 6,451	$ 392	$ 633	$ 6,210
Assets held in trust	866,274	268,029		1,134,303
Due from other funds	2,175		1,384	791
Total assets	$874,900	$268,421	$ 2,017	$1,141,304
Liabilities:				
Due to other funds	$ 12	$ 10	$	$ 22
Agency liabilities	874,888	268,420	2,026	1,141,282
Total liabilities	$874,900	$268,430	$ 2,026	$1,141,304
Higher Education				
Assets:				
Cash and short term investments	$ 5,526	$ 31,449	$33,315	$ 3,660
Other receivables		4,135		4,135
Total assets	$ 5,526	$ 35,584	$33,315	$ 7,795
Liabilities:				
Accounts payable	$ 0	$ 1,166	$ 1,049	$ 117
Agency liabilities	5,526	34,418	32,266	7,678
Total liabilities	$ 5,526	$ 35,584	$33,315	$ 7,795

(Continued)

COMMONWEALTH OF MASSACHUSETTS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED JUNE 30, 1990

(Amounts in thousands)

	Balance July 1, 1989	Additions	Deletions	Balance June 30, 1990
Total Agency Funds				
Assets:				
Cash and short term investments	$ 861,162	$3,404,792	$3,520,265	$ 745,689
Investments	282,341	44,080		326,421
Investments of deferred compensation plan	420,766	141,642	31,228	531,180
Annuity contracts	697,000	190,020	86,153	800,867
Assets held in trust	866,274	268,029		1,134,303
Other receivables	13	4,135	13	4,135
Due from other funds	128,446	92	43,443	85,095
Total assets	$3,256,002	$4,052,790	$3,681,102	$3,627,690
Liabilities:				
Accounts payable	$ 9,362	$ 666,748	$ 666,056	$ 10,054
Due to cities and towns	9,277	96,907	97,239	8,945
Due to other funds	53	10,619		10,672
Prizes payable	697,000	190,020	86,153	800,867
Agency liabilities	2,540,310	2,661,000	2,404,158	2,797,152
Total liabilities	$3,256,002	$3,625,294	$3,253,606	$3,627,690

(Concluded)

GENERAL FIXED ASSETS ACCOUNT GROUP

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for the land, buildings, improvements, and equipment of the governmental funds. Fixed assets of the proprietary fund types and similar trust funds are accounted for within those funds.

COMMONWEALTH OF MASSACHUSETTS

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 1990

(Amounts in thousands)

General Fixed Assets:

Source	Amount
Land	$ 303,005
Buildings	2,512,876
Machinery and equipment	354,966
Construction in progress	289,405
	$3,460,252

Investment in General Fixed Assets:

Acquired on or before June 30, 1990	$3,460,252

Sources of general fixed assets acquired on or before June 30, 1990 are not available.

COMMONWEALTH OF MASSACHUSETTS

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 1990

(Amounts in thousands)

Function	Land	Buildings	Machinery and equipment	Total
Legislature	$ 0	$ 0	$ 43	$ 43
Judiciary	7	129,262	5,023	134,292
Executive			481	481
Secretary of the Commonwealth	4		920	924
Treasurer and Receiver - General		121	17,514	17,635
Auditor of the Commonwealth			184	184
Attorney General			534	534
Ethics commission			25	25
District Attorney			1,566	1,566
Administration and finance	3,600	243,514	69,398	316,512
State Comptroller			106	106
Environmental affairs	222,202	97,260	26,768	346,230
Communities and development			755	755
Human services	39,188	865,633	22,481	927,302
Transportation and construction	5,540	99,355	41,940	146,835
Education		14,599	505	15,104
Higher education	24,640	1,028,392	134,867	1,187,899
Public safety	7,641	34,289	21,556	63,486
Economic affairs	183	447	7,813	8,443
Elder affairs			187	187
Consumer affairs		4	1,232	1,236
Labor			1,068	1,068
Total general fixed assets by function	$303,005	$2,512,876	$354,966	3,170,847
Construction in progress				289,405
Total general fixed assets				$3,460,252

PUBLIC EMPLOYEE RETIREMENT SYSTEMS -

REQUIRED SUPPLEMENTARY INFORMATION

COMMONWEALTH OF MASSACHUSETTS

PUBLIC EMPLOYEE RETIREMENT SYSTEMS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

FOR FISCAL YEAR 1990

(Amounts in thousands)

Fiscal year	(1) Net Assets available for benefits	(2) Pension benefit obligation	(3) % funded (1)/(2)	(4) Unfunded pension benefit obligation (2)-(1)	(5) Annual covered payroll	(6) Unfunded pension benefit obligation as a percentage of covered payroll (4)/(5)
State Employees' Retirement System						
*1990	$3,741,000	$6,900,000	54.22%	$3,159,000	$2,801,000	112.78%
Teachers' Retirement System						
*1990	$3,797,000	$8,245,000	46.05%	$4,448,000	$2,227,000	199.73%

* Analysis of the funding progress is only available as of January 1, 1990, the date of the most recent actuarial valuation. Information for the fiscal years prior to 1990 is not available.

COMMONWEALTH OF MASSACHUSETTS

PUBLIC EMPLOYEE RETIREMENT SYSTEMS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES BY SOURCE AND EXPENSES BY TYPE

FOR FISCAL YEARS 1988 THROUGH 1990

(Amounts in thousands)

State Employees' Retirement System

Revenues By Source

Fiscal year	Employee contribution	Employer contribution	Investment income	Total
*1988	$172,607	$268,993	$64,858	$506,458
1989	192,332	271,927	487,971	952,230
1990	192,065	292,101	298,513	782,679

Expenses By Type

Fiscal year	Benefits	Administration expenses	Other	Total
*1988	$245,573	$2,800	$73,856	$322,229
1989	259,101	2,930	84,185	346,216
1990	288,284	2,595	94,420	385,299

Teachers' Retirement System

Revenues By Source

Fiscal year	Employee contribution	Employer contribution	Investment income	Total
*1988	$125,223	$243,966	$100,537	$469,726
1989	126,004	252,443	411,303	789,750
1990	141,645	252,717	291,711	686,073

Expenses By Type

Fiscal year	Benefits	Administration expenses	Other	Total
*1988	$224,909	$1,484	$46,539	$272,932
1989	237,332	1,471	49,539	288,342
1990	250,214	1,282	54,355	305,851

* Fiscal year 1988 is the first year for which complete revenue and expense information is available. Information for the years prior to 1988 is not available.

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COMMONWEALTH OF MASSACHUSETTS

Statistical Section

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COMMONWEALTH OF MASSACHUSETTS

TEN-YEAR SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
ALL GOVERNMENTAL FUND TYPES

(Amounts in millions)

Revenues and other financing sources	Fiscal Year Ended June 30																			
	1990	%	1989	%	1988	%	1987	%	1986	%	1985	%	1984	%	1983	%	1982	%	1981	%
Taxes	$ 9,007	49.5	$ 8,695	50.8	$ 8,033	54.9	$ 7,970	54.6	$ 7,462	56.9	$ 6,424	61.1	$5,660	61.9	$4,992	57.2	$4,637	58.9	$4,194	57.4
Federal reimbursements	2,092	11.5	1,942	11.4	1,830	12.5	1,546	10.6	1,427	10.9	1,222	11.6	1,161	12.7	1,254	14.4	1,208	15.3	1,169	16.0
Federal grants	1,042	5.7	1,045	6.1	803	5.5	812	5.6	827	6.3	758	7.2	639	7.0	620	7.1	610	7.7	723	9.9
Lotteries	1,657	9.1	1,447	8.5	1,390	9.5	1,276	8.7	1,066	8.1	831	7.9	113	1.2	98	1.1	86	1.1	75	1.0
Assessments	277	1.5	243	1.4	160	1.1	199	1.4	20	0.2	108	1.0	100	1.1	110	1.3	100	1.3	94	1.3
Motor vehicle licenses and registrations	306	1.7	237	1.4	167	1.1	175	1.2	151	1.2	145	1.4	128	1.4	118	1.4	111	1.4	103	1.4
Other fees, Sales etc.	1,188	6.5	1,038	6.1,	783	5.4	619	4.2	824	6.3	535	5.1	581	6.4	562	6.4	455	5.8	400	5.5
Proceeds of general obligation bonds	1,430	7.9	1,374	8.0	543	3.7	315	2.2	442	3.4	276	2.6	373	4.1	453	5.2	300	3.8	250	3.4
Proceeds of refunding bonds			226	1.3			526	3.6												
Proceeds of obligations under lease/purchase and other financing arrangements*	7		35	0.2																
Operating transfers	1,144	6.3	805	4.7	870	5.9	1,159	7.9	993	6.8	174	1.7	352	3.8	424	4.8	320	4.1	285	3.9
Other financing sources	30	0.2	18	0.1	52	0.4	7		3		47	0.4	41	0.4	94	1.1	51	0.6	17	0.2
Total revenues and other financing sources	$18,180		$17,105		$14,631		$14,604		$13,115		$10,520		$9,148		$8,725		$7,878		$7,310	

Note - GAAP information is available only for the years 1986 through 1990. The information for prior years is presented on the statutory basis of accounting.

*Information is not available for years prior to 1989.

COMMONWEALTH OF MASSACHUSETTS

TEN-YEAR SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES BY CHARACTER AND SECRETARIAT - ALL GOVERNMENTAL FUND TYPES

(Amounts in millions)

Character and secretariat	Fiscal Year Ended June 30																			
	1990	%	1989	%	1988	%	1987	%	1986	%	1985	%	1984	%	1983	%	1982	%	1981	%
Current:																				
Legislature	$ 44	0.2	$ 49	0.3	$ 48	0.3	$ 45	0.3	$ 42	0.3	$ 38	0.4	$ 35	0.4	$ 30	0.4	$ 28	0.4	$ 27	0.4
Inspector General	1		1		1		3		1		1		1		1					
Judiciary	305	1.6	280	1.6	271	1.7	250	1.7	268	2.0	243	2.4	205	2.3	169	2.0	172	2.2	154	2.1
Executive	5		6		6		4		9	0.1	14	0.1	14	0.2	13	0.2	15	0.2	19	0.3
Secretary of the Commonwealth	11	0.1	14	0.1	13	0.1	15	0.1	8	0.1	15	0.1	8	0.1	9	0.1	6	0.1	9	0.1
Treasurer and Receiver - General	1,217	6.6	1,022	5.8	1,079	6.9	700	4.7	976	7.4	1,095	10.8	862	9.5	821	9.8	651	8.2	408	5.4
Auditor of the Commonwealth	11	0.1	13	0.1	13	0.1	11	0.1	9	0.1	9	0.1	8	0.1	7	0.1	7	0.1	6	0.1
Attorney General	29	0.2	43	0.2	92	0.6	28	0.2	24	0.2	13	0.1	11	0.1	9	0.1	8	0.1	9	0.1
Ethics commission	1		1		1		1		1		1		1		1		1		1	
District Attorney	47	0.3	81	0.5	80	0.5	41	0.3												
Administration and finance	951	5.1	485	2.7	737	4.7	999	6.7	311	2.4	388	3.8	281	3.1	263	3.1	230	2.9	200	2.7
State Comptroller	6		5		5		6		4											
Environmental affairs	171	0.9	185	1.0	198	1.3	180	1.2	181	1.4	163	1.6	170	1.9	141	1.7	137	1.7	129	1.7
Communities and development	403	2.2	390	2.2	349	2.2	293	2.0	264	2.0	274	2.7	223	2.5	181	2.2	214	2.7	192	2.6
Human services	6,047	32.6	5,868	33.1	4,664	30.0	4,265	28.8	3,941	29.9	3,298	32.7	3,108	34.2	2,937	34.9	2,821	35.4	2,706	36.1
Transportation and construction	63	0.3	60	0.3	94	0.6	157	1.1	159	1.2	367	3.6	349	3.8	326	3.9	311	3.9	276	3.7
Education	332	1.8	329	1.9	311	2.0	263	1.8	1,174	8.9	2,136	21.1	1,894	20.9	1,694	20.2	1,647	20.7	1,634	21.8
Higher education	1,151	6.2	1,164	6.6	848	5.5	916	6.2												
Public safety	154	0.8	164	0.9	162	1.0	129	0.9	112	0.8	90	0.9	81	0.9	75	0.9	61	0.8	61	0.8
Economic affairs	159	0.9	202	1.1	176	1.1	178	1.2	152	1.2	139	1.4	114	1.3	110	1.3	130	1.6	205	2.7
Elder affairs	150	0.8	175	1.0	145	0.9	165	1.1	130	1.0	117	1.2	102	1.1	101	1.2	101	1.3	82	1.1
Consumer affairs	34	0.2	50	0.3	46	0.3	30	0.2	26	0.2	25	0.2	22	0.2	20	0.2	20	0.2	20	0.3
Labor	23	0.1	24	0.1	19	0.1	19	0.1	10	0.1	10	0.1	8	0.1						
Independent commissions	25	0.1	28	0.2	35	0.2	32	0.2												
Direct local aid to cities and towns*	2,937	15.8	2,961	16.7	2,769	17.8	2,601	17.6	2,192	16.6										
Capital outlay:*																				
Local aid	208	1.1	112	0.6	27	0.2	10	0.1												
Capital acquisition and construction	929	5.0	1,125	6.3	842	5.4	764	5.2	632	4.8	583	5.8	469	5.2	591	7.0	518	6.5	503	6.7
Pension	672	3.6	663	3.7	600	3.9	622	4.2	401	3.0	436	4.3	342	3.8	205	2.4	187	2.3	173	2.3
Debt service	775	4.2	654	3.7	568	3.7	530	3.6	522	4.0	482	4.8	447	4.9	403	4.8	378	4.7	439	5.9
Other financing uses:																				
Payment to refunded bond escrow agent			226	1.3			526	3.6												
Fund deficit support					231	1.5	361	2.4			58	0.6	145	1.6	230	2.7	192	2.4	143	1.9
Operating transfers	1,686	9.1	1,348	7.6	1,088	7.0	642	4.3	1,638	12.4	83	0.8	181	2.0	68	0.8	128	1.6	105	1.4
Other					18	0.1	18	0.1			23	0.2					8	0.1		
Total expenditures and other financing uses	$18,547		$17,728		$15,536		$14,804		$13,187		$10,101		$9,081		$8,405		$7,971		$7,501	

Note - GAAP information is available only for the years 1986 through 1990. The information for prior years is presented on the statutory basis of accounting.

*Information is not available for years prior to 1986.

COMMONWEALTH OF MASSACHUSETTS

TEN-YEAR SCHEDULE OF PERCENTAGE OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL EXPENDITURES - ALL GOVERNMENTAL FUND TYPES

(Amounts in millions)

Fiscal year ended June 30(1)	Total Debt Service(2)	Total Expenditures	Ratio
1990	$ 775	$16,861	4.6
1989	654	16,154	4.0
1988	568	14,199	4.0
1987	530	13,257	4.0
1986	522	11,549	4.5
1985	482	9,937	4.9
1984	447	8,650	5.2
1983	403	8,107	5.0
1982	378	7,643	4.9
1981	439	7,253	6.1

(1) For 1985 and prior years, total debt service and total expenditures are on the statutory basis as GAAP basis information is not available for those years.

(2) Debt service includes principal and interest payments related to general obligation long term bonds and minibonds (minibonds are reported as fund liabilities because of their demand provisions but, are nevertheless, general bonded debt and are, therefore, included in this schedule).

COMMONWEALTH OF MASSACHUSETTS

TEN-YEAR SCHEDULE OF PER CAPITA GENERAL BONDED DEBT

(Amounts in thousands)

Fiscal year ended June 30	Massachusetts Population(2)	Total Long Term Bonds and Notes Payable(3)	Per Capita Long Term Debt
1990(1)	6,016	$6,605,039	$1.068
1989	5,891	5,370,627	0.912
1988	5,889	4,272,384	0.725
1987	5,855	4,001,918	0.684
1986	5,832	3,625,596	0.622
1985	5,819	3,713,252	0.638
1984	5,792	3,637,704	0.628
1983	5,762	3,475,254	0.603
1982	5,744	2,992,319	0.521
1981	5,753	2,805,643	0.488

(1) Based on the decennial census.

(2) Population is calendar year based for 1986 and prior.

(3) Total long term debt does not include minibonds.

Source: United States Department of Commerce, Bureau of the Census.

COMMONWEALTH OF MASSACHUSETTS

REVENUE BOND COVERAGE[2]

FOR THE LAST FIVE FISCAL YEARS[1]

(Amounts in thousands)

Fiscal Year ended June 30	Net Revenues	Debt Service Requirements	% Coverage
1990	$226,444	$260,362	.87%
1989	219,764	49,120	4.47
1988	146,001	45,748	3.19
1987	129,577	57,877	2.24
1986	120,683	74,702	1.62

(1) Information is not available prior to 1986.
(2) Includes MBTA, MCCA, MWRA and Medical and Educational Facilities.

Source: Office of the Comptroller

COMMONWEALTH OF MASSACHUSETTS

MASSACHUSETTS AND UNITED STATES RESIDENT POPULATION 1981-1990

(Amounts in thousands)

Year	United States	% Change	Massachusetts	% Change	Massachusetts as % of U.S.
1990[1]	248,710	0.4%	6,016	2.1%	2.42%
1989	247,733	0.8	5,891		2.38
1988	245,785	1.0	5,890	0.6	2.40
1987	243,427	1.0	5,856	0.4	2.41
1986	241,107	1.0	5,835	0.2	2.42
1985	238,736	1.0	5,824	0.5	2.44
1984	236,477	0.9	5,795	0.5	2.45
1983	234,284	1.0	5,764	0.3	2.46
1982	231,996	1.0	5,747	(0.1)	2.48
1981	229,637	1.0	5,755	0.2	2.51

(1) Based on the Decennial Census.

Source: United States Department of Commerce, Bureau of the Census

COMMONWEALTH OF MASSACHUSETTS

NONAGRICULTURAL EMPLOYMENT BY INDUSTRY
IN MASSACHUSETTS AND THE UNITED STATES FOR 1990(1)

(Amounts in thousands)

Type of industry	MA	% of MA Total	U.S.	% of U.S. Total	MA % vs. U.S.%
Total manufacturing:	519	17.2%	18,749	17.0%	1.01%
Total durable goods:	340	11.3	10,868	9.9	1.14
High technology	206	6.8	NA	NA	NA
Other	134	4.5	NA	NA	NA
Nondurable goods	179	5.9	7,881	7.1	0.83
Total nonmanufacturing:	2,493	82.8	91,418	83.0	1.00
Construction and mining	101	3.4	5,775	5.2	0.65
Transportation	128	4.3	5,870	5.4	0.80
Trade:	719	23.9	26,057	23.7	1.01
Wholesale	181	6.0	6,338	5.8	1.03
Retail	538	17.9	19,719	17.9	1.00
Financial services	215	7.1	6,836	6.2	1.15
Other services	932	30.9	28,543	25.9	1.19
Government:	398	13.2	18,337	16.6	0.80
Federal	62	2.1	2,970	2.7	0.78
State and local	336	11.1	15,367	13.9	0.80
Totals for 1990	3,012		110,167		

(1) Preliminary seasonally adjusted data as of November, 1990.

Sources: Massachusetts Department of Employment and Training
United States Department of Commerce

NA: Not available

COMMONWEALTH OF MASSACHUSETTS

TEN LARGEST INDUSTRIES
BY NUMBER OF EMPLOYEES AS OF NOVEMBER, 1990

Industry	Number of Employees
Services	932,200
Wholesale and retail trade	718,600
Manufacturing - durable goods	340,300
Local government	239,000
Finance, insurance and real estate	215,300
Manufacturing - nondurable goods	179,200
Transportation	128,100
Construction	99,800
State government	96,400
Federal government	62,100

Source: Massachusetts Department of Employment and Training

COMMONWEALTH OF MASSACHUSETTS

ANNUAL AVERAGE CIVILIAN LABOR FORCE,
UNEMPLOYMENT AND UNEMPLOYMENT RATES
FOR MASSACHUSETTS AND THE UNITED STATES 1981-1990

(Amounts in thousands)

	Massachusetts			United States			
Year	Labor Force	Unemployment	Unemployment Rate	Labor Force	Unemployment	Unemployment Rate	Massachusetts Rate as % of U.S. Rate
1990[1]	3,147	233	7.4%	125,174	7,600	6.1%	121.3%
1989	3,180	127	4.0	123,869	6,528	5.3	75.5
1988	3,155	103	3.3	121,669	6,701	5.5	60.0
1987	3,086	99	3.2	119,865	7,425	6.2	51.6
1986	3,058	118	3.8	117,834	8,237	7.0	54.3
1985	3,051	120	3.9	115,461	8,312	7.2	54.2
1984	3,047	145	4.8	113,544	8,539	7.5	64.0
1983	2,977	205	6.9	111,550	10,717	9.6	71.9
1982	2,993	237	7.9	110,204	10,678	9.7	81.4
1981	2,947	186	6.4	108,670	8,273	7.6	84.2

Sources: Massachusetts Department of Employment and Training
United States Department of Labor, Bureau of Labor Statistics

(1) As seasonally adjusted.

COMMONWEALTH OF MASSACHUSETTS

TWENTY-FIVE LARGEST PRIVATE SECTOR MASSACHUSETTS EMPLOYERS

Affiliated Hospitals Center, Inc.
A.T.& T. Technologies, Inc.
Blue Cross of Massachusetts
Boston University
Digital Equipment Corporation
The First National Bank of Boston
Friendly Ice Cream Corporation
General Electric Company
GTE Government Systems Corporation
Harvard University
Jewel Company, Inc.
John Hancock Mutual Life Insurance Company
Jordan Marsh Company
Massachusetts General Hospital
Massachusetts Institute of Technology
New England Telephone and Telegraph Company
Polaroid Corporation
Raytheon Company
S&S Credit Company, Inc.
Sears, Roebuck & Company
Shaw's Supermarkets, Inc.
State Street Bank and Trust Company
Supermarket General Corporation
United Parcel Service, Inc.
Wang Laboratories, Inc.

Source: Massachusetts Department of Employment and Training as of May, 1989